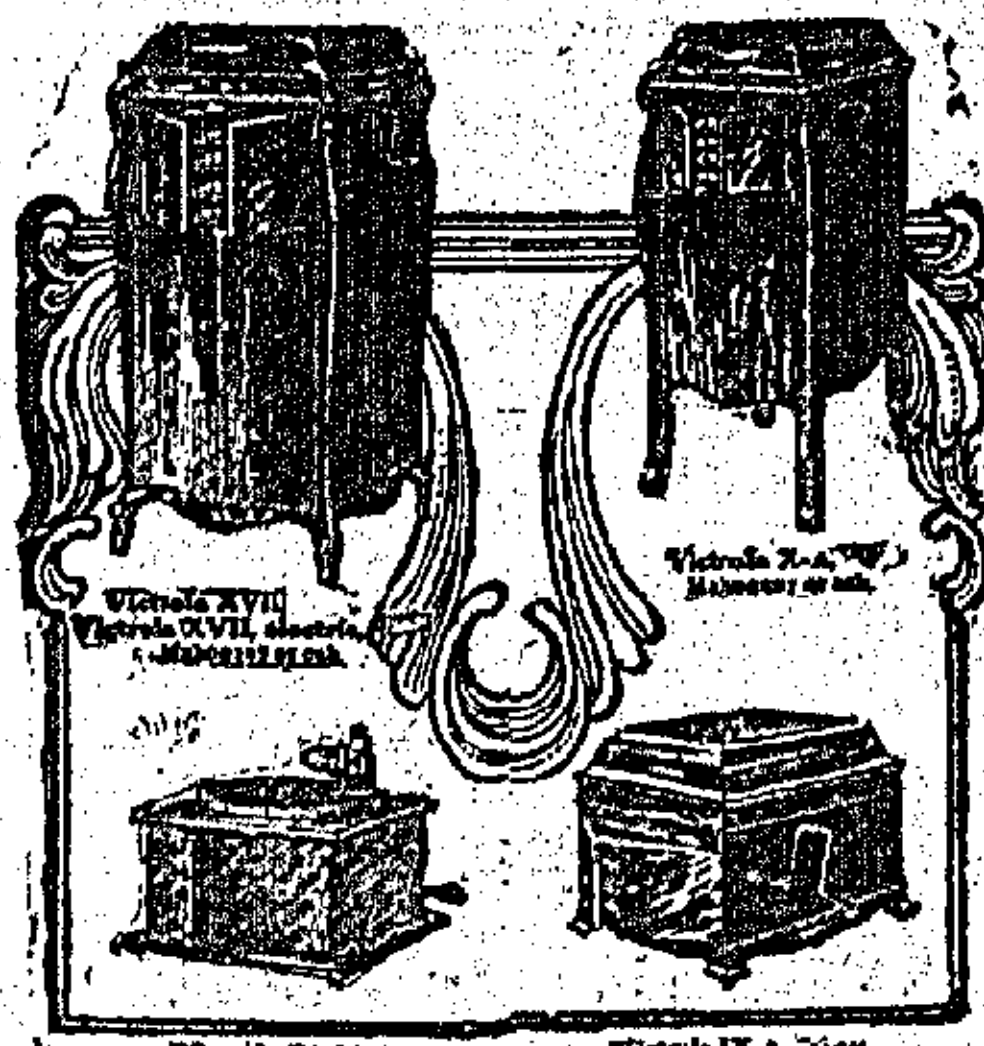


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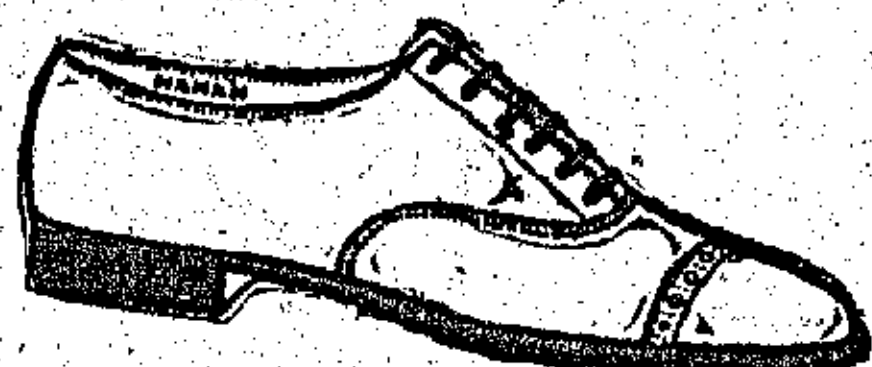
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[1381]

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[1387]

LEARNING TO FLY.

There are at present generally in use two methods of teaching the art of flight. One is for the instructor to take the machine off the ground and to fly it in the air while the pupil grasps the "control stick" over the instructor's shoulders or round his waist and feels his actions, and watches their effect on the machine. After a few flights the pupil occupies the front seat and is corrected when necessary by the instructor, who sits behind him.

The other method, which has more advantages, is that of "dual control." In the training machine there are two seats. Both contain a control wheel, and a rudder, and the necessary instruments. The machine can be flown from either position, and the movement of the controls in one machine is automatically followed by those in the other, and at first it is rather strange to see them moving to and fro, apparently of their own volition, as though the machine were being flown through the air by some ghostly agency.

Learning to fly is a little like learning how to ride a bicycle. It is learnt by practice.

The pupil climbs into his seat, and the instructor takes the machine off the ground. When it has climbed a little the wheel in front of the pupil jerks several times. It is the instructor's signal that he is to take control. He puts his feet on the rudder and grips the wheel nervously with his hands. Every nerve is strained with the excitement. Nothing happens. He has no feeling that the aeroplane is responding, like a bicycle or car, to his every movement. There is no feeling or resistance to the pressure of his hands and feet—no pull.

He is sure that the other man must be flying it, and he is merely "feeling." He controls, as it were, through the instructor's arms. He looks round in order to find out. The instructor is looking over the side and both his hands are visible, free from the wheel. The pupil turns back quickly and looks at the horizon and at the instruments: a little more anxiously now that he knows he is flying the machine himself. How easy it is, he thinks—there seems nothing to do.

He begins to realise, however, that the "nose" of the machine is slowly but very surely turning to the right. He presses the rudder gently to the left. The machine still continues to turn to the right. He presses it hard to the left with a slight feeling of annoyance. Round goes the machine to the left, and the little bubble in the spirit level in the machine rushes to the left also, showing that he is slipping outwards, or turning without enough "bank" or tilt. Back goes the rudder again to its normal position, and the little bubble comes back to the middle of the tube. The notes of the engine stop for a moment, and he can hear the instructor shout, "Try to fly straight for a little—you aren't a snake!"

The engine goes on again, and he flies fairly straight for a while, until he feels, as he imagines, a jerk on the wheel. The instructor must want to take control, so he lets go his hold of the wheel and the rudder, and looks over the side at the country below. The machine begins to dive, more and more, with the engine still on, and then suddenly the nose comes up, and up, till the machine almost stops. It hangs for a moment nearly motionless, and then dives again.

"What the blazes is the instructor doing?" he wonders. The instructor, who is not touching the controls and imagines the pupil is "flying about," is wondering the same thing about the machine. The "wings" which will soon be proudly worn are slowly sprouting.—K.L.

ONE MAN CAPTURES GERMAN SUBMARINE.

AN AMAZING TALE OF THE SEA.

There are two mystery V.C.s to whom this prodigious feat of valour—the capture of a German submarine single-handed—might be credited, says the *Sunday Chronicle*.

They are Commander W. E. Sanders, of the Royal Naval Reserve, whose award was gazetted in June, 1917, and who was killed in action two months later, and Commander Gordon Campbell of the Royal Navy, awarded the V.C. in April of last year.

Behind the silence of the official record lie deeds of heroism, and in one case the gallant act was so remarkable that it is little by the uncertainty as to which of the men was the hero of it.

A trawler patrol was blown up by a torpedo, and the young lieutenant in command of her found himself swimming in the sea. Slipping out of the hampering folds of his greatcoat, he swam. He saw some of his men seize bits of wreckage and drift away. He saw the mangled bodies of others bob up for an instant in the trough of a wave. There seemed no piece of wreckage big enough to support him. But he was a strong swimmer, and he kept afloat. He did not know in what direction he was swimming, he just swam. Suddenly his feet struck something solid. He pushed back on it, and gave himself a forward spurt, but as he extended his feet backward again they touched that solid submerged something a second time. He rested his feet against it, and it seemed like a great smooth rock. But it was moving! It was coming up under him!

"The submarine that sank us!" This thought flashed into the swimmer's mind. He ceased swimming instantly, and braced his feet upon the slippery solid, which he knew now was the deck of the U-boat that had just sent his vessel and crew to the bottom. As it came up he came up with it.

JAMMED THE TRAPDOOR. The eye of the lieutenant was fixed upon a little narrow trapdoor, expecting every instant to see it open and the head of a German commander emerge. He drew his

(Continued at foot of next Column.)

SHELLS FROM 28 MILES.

A PERSONAL EXPERIENCE.

Every few minutes since dawn a 15-in. shell had thundered into or near a little town that lay twenty-eight miles behind the lines, far from the tumult of war.

Towards ten o'clock one of the officers left the men and walked across a meadow to inspect some of the shell-holes. Suddenly he saw the earth a few hundred yards in front of him rise up in a great fan-shaped spurt of black smoke and flying dirt. It was the explosion of another shell, and it seemed an appreciable time before he heard the shattering roar.

There had been no whine or scream—no warning of any kind. The earth just rose up before his eyes. He ran over to the place where the smoke still hung and found an enormous hole, into which a motor-omnibus could have been put, full of crumpled lumps of yellow-stained earth. Outside the crater lay the base plug of the shell, a shining steel cylinder with an imperial crown and a few numerals stamped on it.

It seemed amazing to think that two minutes ago that great piece of metal had been twenty-eight miles away. In his imagination he saw the gunners, clad in grey-green, preparing the gun and the next shell and making jokes about its destination—he saw the stout sergeant who had pulled the string or pressed the lever which had caused that enormous upheaval of earth in that quiet meadow far from the clamour and destruction of war—in the little meadow shaded by drowsy farmhouses and peopled by partridges and hares. All around lay the peaceful countryside, bathed in the sun, and here was the deep rugged crater in which lay pieces of metal that were too hot to touch.

Even as he looked for souvenirs in the bottom of the hole he heard the thud of another shell on the ground, followed by the roar of the explosion and the faintly heard boom of the distant gun. He climbed up to the top of the crater and saw a column of smoke behind some trees. He talked across the meadow to look for some other holes, and climbed over a hedge into the next field, and was walking along listening to the warning siren in the town, when, to his surprise and dismay, he saw a terrific black column of earth and smoke leap up scarcely twenty yards away. He was conscious for a moment of the air being full of flying fragments, and then, instantly and automatically, he threw himself down on his face and covered the back of his head with his hands and waited.

For a few endless moments of dread anticipation nothing seemed to happen, and then the lumps of earth began to thunder all over his body and to beat his arms and legs and head. He felt as if he were at school again being mercilessly flogged. The lumps of earth, being heavy and were falling from a height of several hundred feet, were really painful, and all the time he had the horrible knowledge that some large fragment of metal might be descending with them, and that at any moment he might be knocked senseless or killed. The thundering of the falling earth all around him and the cruel flogging of his back seemed to last for hours. At last it stopped, and he clambered to his feet, dazed and sore. He did not know at first where to turn, but when he saw the great yawning hole a few yards away he ran over to it, with the first instinct of humanity after that of safety—the instinct of curiosity, and to get souvenirs.—G.N.

Colt's automatic pistol from its case and pointed it at the door. ("The modern naval pistols are waterproof.")

Scarcely were the waves pouring off the glistening steel of the deck that was now above the surface than the door swung open and the face of a German officer appeared. The automatic pistol barked once and the German lurched forward. Springing upon him like a cat, the young Briton seized the body of the enemy, that it might not be drawn down the ladder and so make it possible to close the door and submerge again. He had aimed to kill, and had made a bull's-eye.

A trawler patrol was blown up by a torpedo, and the young lieutenant in command of her found himself swimming in the sea.

Slipping out of the hampering folds of his greatcoat, he swam. He saw some of his men seize bits of wreckage and drift away. He saw the mangled bodies of others bob up for an instant in the trough of a wave. There seemed no piece of wreckage big enough to support him. But he was a strong swimmer, and he kept afloat. He did not know in what direction he was swimming, he just swam. Suddenly his feet struck something solid. He pushed back on it, and gave himself a forward spurt, but as he extended his feet backward again they touched that solid submerged something a second time. He rested his feet against it, and it seemed like a great smooth rock. But it was moving! It was coming up under him!

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(Continued at foot of next Column.)

BLUFFING THE WHOLE WORLD.

DESPERATE STATE OF AFFAIRS IN GERMANY.

[BY ERNEST LIONEL PYKE.]

[Mr. Ernest Lionel Pyke, a well-known London business man, was released from Ruhleben Camp on March 7th, after being interned for 34 years. He enjoyed extraordinary opportunities for observing the state of affairs in Berlin, as he was allowed to visit the capital under escort twice or thrice a month in his capacity as kitchen inspector of the camp.]

The British public, so far as are concerned the members of it that I have met during my few days at home, seem to be badly and insufficiently informed about the real state of affairs in Germany.

I have just returned from Germany after three years and eight months' personal observation and close contact with people from all over Europe. I have no particular grudge against the Germans for their recent treatment of me, and write without bitterness. It was bad luck that made me select Homburg for my summer holiday in 1914. Like all the other English, I was badly treated at Homburg, a town whose prosperity is entirely due to the late King Edward. I was badly treated on the railway journey from Homburg to Glessen and from Glessen to Ruhleben. I underwent the usual sufferings of the first-comers to Ruhleben, but have no complaint since, and I have had some personal kindness from the Ruhleben authorities. These writings are therefore inspired by no bitterness, but by the imperative necessity of waking up foolish pessimists here as to the bluff Germany is endeavouring to maintain before the world as to her real condition of internal exhaustion.

I have been criticised for stating yesterday that the present German offensive is primarily not a military offensive, but due to internal necessity.

Watching Germany day by day for three years and eight months, watching the hysterical enthusiasm of the first few months' change into gloom and intense hatred of Great Britain, I have seen the gradual approach of war-weariness accompanied by starvation. I use the word "starvation" intentionally. I am going on, because it was leading to civil war. Travelling Dutchmen and other writers may try to convince you to the contrary, but in speaking of the great cities of Germany I choose the word "starvation" deliberately.

A SERUNKEN HACKENSCHEIDT. Let me select for exposition an individual case—a public character who must have been seen by some hundreds of thousands of readers of this newspaper—Hacken-schmidt, the famous Russian wrestling "lion." If Hackenschmidt were to appear on any public platform to-day he would not be recognised. I met him in Berlin and did not recognise him, though I knew him personally in England. This great giant has shrunk, from lack of food, as old men shrink with age.

The talk of food rationing I have heard here at home during my few days of freedom is laughable. I had known of food rationing in Germany, but because it was my duty to superintend the food for between three and four thousand of the interned at Ruhleben. There is plenty of money in Berlin, but, as a charming American lady said to me, "I can't eat money," and neither, her money nor her many admirers could provide her with enough food for health.

We at Ruhleben, by reason of our parcels, were really well off. We were and are regarded with envy by all Berlin. The Prussian authorities have more than once had fears that the mob would attack Ruhleben in order to get at our parcels.

It is not merely the masses in Germany who are suffering unspeakable deprivations; the middle class in the cities is just as badly hit, and just as weary of the whole war as the strikers, who, passing by our camp at Ruhleben, invited us to come out and join them.

I have been occupying my first few days of freedom in London by visiting old haunts—the Savoy, Trocadero, Criterion, Cavour, and the Ritz. Food shortage! High prices! In Berlin I paid 28 for a bad lunch for two, and we went away hungry. You people in London would be the better for knowing what real deprivation means; such as is being experienced by all but the wealthy Junkers with their own farms in Germany. I believe that this kind of German is not suffering.

It was mentioned in yesterday's *Daily Mail* that I was allowed two days' leave. I can assure you that those with whom I came in contact during those two days, knowing that I had come from Ruhleben, brought me my own two days' supply with me, consisting of English bacon, Danish white bread, English butter, sugar, condensed milk, tea and coffee, and soap, treated me with a deference usually accorded to one of exalted position, and that, remember, was eighteen months ago.

Germany is a master of camouflage. The German newspapers, which are aimed quite as much at the Allies and the neutral countries as they are at the Germans, print advertisements of stores, such as Wertheim's, giving long lists of food which is not in the stores.

It is not true that better distribution has improved the food situation. Distribution is as perfect as German organisation can make it; but here, again, the Germans, even if they had food, are handicapped by the immense deterioration of the railways, of which I have heard nothing in England except an occasional suggestion that there is a shortage of axle-grease in Germany.

WORK-OUR RAILWAYS. I came back along the well-known Berlin-Flushing line from Charlottenburg to Goch. Before the war the Germans were proud not only of their permanent-way but also of their rolling-stock. Well, the German railways are now no place for those who like smooth travelling. Although I was on the way to freedom and in the height of good spirits, the state of the railway wheels, but more particularly the state of the track, rendered conversation and sleep impossible. One was of the party suggested that the wheels were square.

Every German traveller is aching physically as well as aching for peace. People who remember the situation of Ruhleben know that it lies on the great East-West line through Germany. I have lain awake at night and have listened to thousands of trains to and from the Russian theatre of war. I have noticed all sorts of changes, personal and

(Continued at foot of next Column.)

SOUTH AFRICA AND WAR.

A HEATED DEBATE.

The House of Assembly at Cape Town on April 18th discussed the Loan Vote of £2,800,000 for war expenses, including a grant of £1,000,000 for imperial war purposes.

General Hertzog, referring to the internment camps, objected to their being maintained in Natal, where, he said, people were anti-German. He suggested their removal to the Transvaal or the Orange Free State Province. He strongly complained of the internment of South Africans without trial.

Sir Thomas Watt, Minister of the Interior, quoted various authorities, including German Benevolent Society officials, showing that the camps were managed in the most satisfactory way.

The Unionist member for Turfontein, Mr. H. A. Wyndham, complained of the release of 641 suspects after internment. General Botha pointed out that out of 2,000 persons interned only three were from in South Africa and only eleven were naturalised British subjects. The Premier agreed to the necessity of making the lot of the interned persons as bearable as possible, and promised that an inquiry would be made about the matter after the session, especially with regard to naturalised South Africans.

The debate, which was continued in the evening, in spite of its amiable opening, produced very heated general discussion, General Hertzog having complained of the recruiting methods, to which he ascribed the disturbances that had taken place. Sir P. Fitzpatrick denounced General Hertzog for preaching sedition and rebellion in the country. The whole Nationalist Party hereupon walked out of the Chamber.

Fitzpatrick, continuing, declared the Nationalists were acting like paid spies and hirelings of the enemy, and were deliberately provoking disturbances and civil war.

General Botha followed with an eloquent and earnest appeal for tolerance, and also appealed to Britons not to expect from Afrikaners what was expected from Britons, and urged Britons not to use compulsion in recruiting. On the other hand, he urged the Nationalists to stop the regular propaganda, and to stop the organisation, which was going on, because it was leading to civil war.

"Stop, for God's sake, stop," exclaimed General Botha. "I feel that the position is extremely serious, and I appeal to all members to set an example to the country of moderate language, and to tend in the direction of peace. Let us not consult each other, because if we don't I fear for the future. If members refuse to co-operate with me, I shall have to take other steps, and have legislation introduced to enforce peace."

General Hertzog declared that he was anxious to preserve peace, but blamed the Opposition and the Ministerial speeches for the present position, and contended that the Nationalists had the fullest right to ask for an amendment to the Constitution, in order to obtain a Republic.

Mr. Dierckx emphasised the fact that when the Nationalists referred to themselves as slaves, and to the men in Flanders who were fighting the battles of civilisation as the scum of the earth, there was bound to be trouble. He declared the Premier's policy of conciliation the only thing which could save the white population of South Africa.

The Nationalist member for Harri-smith, Mr. De Beer, moved a reduction of defence salaries by half a million, and also the deletion of the grant of £1,000,000 for Imperial war purposes.

mechanical. The troops were gay at one time and used to shout chaffing remarks to us "Englishers." For a long time past they have begged for food.

There was, when I was first at Ruhleben, nothing abnormal about the state of the trains. To-day the laborious puffing of the locomotives is the result, an English engineer in the Ruhleben Camp told me, of the war.

Whether it be or not, whether it be telegraphs, whether it be electric power, Germany is worn out. The early collections of metals from households were, no doubt, but a precautionary measure. When I arrived here and saw a good, honest, English brass bed I almost rubbed my eyes. Germany's metal supply is worn out.

I will go into these things in detail later. What I want our dear old good British public to realise is the fact that they are being badly fooled. They should not take any stock of the travellers' tales of those who have been in Germany for a few days from Holland or Switzerland. I had about thirteen hundred days in which to find out my Germany and about thirteen hundred nights in which to think it over. Germany entered the war believing that it was going to be another day of any sort of supply. But a nation cannot exist on hope, and the average German, patriotic though he may be, and very often is, does not conceal his feelings, especially to a well-fed Englishman from Ruhleben, who had the almost unique experience of being allowed out almost weekly.

THE NEW WAR. A QUICK DECISION. The observations and deductions I shall set forth during the next few days in *The Daily Mail* are by no means based on Berlin only. In a way Ruhleben is a microcosm of all Germany. There is a popular delusion here in England that every Ruhlebenite is a roast-beef John Bull, half and half—people with English names who have been born in Germany, some of them not speaking English, who are legally British subjects. At Ruhleben we called them "paper Englishmen." These men bring valuable information from all over Germany.

If anything, Berlin is better than many German towns. For a long time a show was kept up at the hotels to impress neutrals, especially before the Americans came in.

I am no military critic, though I have done some fighting in my time in South Africa, but the present situation in the West is that Germany must get a quick decision. German stomachs cannot face another Verdun unless the food supplies from the Ukraine, of which I hear more in the British newspapers than I heard in Germany, arrive in time to feed the people and arouse them from the Slough of Despond in which they are at this time of "victory."—*Daily Mail*.

BURGLARY AT THE POST OFFICE.**LARGE SUM OF MONEY STOLEN.**

A daring burglary was committed on Wednesday night, when thieves entered the ground floor of the General Post Office and stole small coin to the value, it is said, of over \$2,000.

The robbery is shrouded in mystery, and the only clues which the Police have to work on are a key and electric torch that were left behind.

A reporter of this paper visited the General Post Office yesterday for the purpose of obtaining some information, but found the Postmaster-General and his assistants very reticent on the subject.

It was admitted that a robbery had been committed, but the consequences were described as not serious.

From information obtained from other sources, however, it would seem that several thieves entered the Post Office premises, presumably a little after midnight. They set to work upon a safe situated on the right hand side of the office, opposite the door used by the public, and endeavored to force it open by means of a key. The lock, however, defied the efforts of the thieves, who then drilled a hole into the safe the size of a one-cent piece, and probably used a jemmy to shift the lock. The safe, which was then easily opened, was rifled, but, strange to relate, although it contained stamps worth several thousands of dollars, the thieves contented themselves with removing only the small coin.

When the Post Office was opened yesterday morning the theft was discovered by the cashier, who promptly reported it to the Postmaster-General. The Police were apprised of the matter, and are busy making inquiries.

A curious feature of the burglary is the fact that there were two Indian watchmen on duty at the time—one just opposite the door, and the other generally over-seeing the whole premises. No one knows how the thieves effected their entry, and although they must have been at work for more than an hour, they were not disturbed. One of the locks of the door was broken by the burglars, presumably in getting away. The probability is that the thieves entered the premises by the aid of some scaffolding which had been erected by workmen who are executing some repairs to the building. Another fact worthy of note is that about a month ago thieves entered the Post Office and managed to get away with about \$5 in silver and a quantity of stamps. It is possible that the same men carried out the robbery on Wednesday night, having had an opportunity previously of studying the position. It is considered not unlikely that a discharged postman, familiar with every niche in the building, is working in conjunction with a band of expert cracksmen.

Fortunately the thieves did not attempt to rob the Government Treasury situated on the floor above, otherwise they might have got away with a still larger sum of money.

It is suggested that the Police ought to place a guard in the G.P.O. premises, as they do in the Hongkong and Shanghai Bank premises, as the Post Office and Treasury sometimes contain money amounting to lakhs of dollars.

ECONOMIC WAR.**FIRST MOVE BY FRANCE.**

The Press attributes extreme importance to the French Government's decision to denounce the commercial treaties, and considers that this action constitutes an actual economic offensive.

The Journal says that there are grave reasons for the Government's action, and points out that the country should henceforth have, if it desires, an absolutely free hand in its economic dealings with all nations.

It was the journal proceeds, in complete agreement with the other countries of the Entente that the French Government took its decision to treat Allied, neutral, and enemy countries on different bases. For instance, the nickel exported from French Colonies will be duty-free if its destination is a country belonging to the Entente; it will have to pay a small duty if its destination is a neutral nation, and a still heavier duty if the destination is Germany or one of her allies. This decision shows the Central Powers that in future France intends to throw her powerful economic weight into the scale. We solemnly warn German industry that the raw materials which the Entente possesses will no longer be at the enemy's disposal. The latter will prosecute an intensive war on all fronts. The measure arises from the need of shortening the narrow circle which chokes all commercial initiative, and from the need of overcoming, once and for all, the obstacles which have hitherto hindered the freedom of our transactions.

HONGKONG MAGISTRACY.**AN OPIUM CASE.**

A Chinese pleaded guilty to being in unlawful possession of fifty taels of opium.

Inspector Brazil said defendant was employed as a carriage-cleaner in the locomotive shop at Hung Hom Station. He was arrested and searched by Mr. Wingard, of the Kowloon-Canton Railway Company, who found him in possession of the opium.

Defendant said the opium belonged to a friend.

Mr. E. D. C. Wolfe sentenced defendant to two months' hard labour.

GOVERNMENT COOLIES IN TROUBLE.

Two Chinese Government coolies were charged with stealing two cast-iron pipes, valued at \$10, the property of the P.W.D.

Sergeant Murphy stated that the defendants, who were employed in repairing a road in Shamsui, were taking the pipes away, when a foreman noticed them and had them arrested.

Defendants said the foreman asked them to take the pipes to the Government stores.

Mr. J. R. Wood discharged defendants, as there was no evidence against them.

DEFENDANT CONTRADICTS HIS SOLICITOR.

A Chinese seaman was charged with wounding and cutting another seaman at West Point.

Mr. E. J. Grist, who appeared for defendant, said he understood that defendant visited complainant's house with the intention of demanding the return of some money owing to him by complainant. After the money had been paid, complainant became abusive and struck defendant, whereupon defendant's friends set upon complainant and assaulted him. Defendant admitted joining in the assault, but denied that he used any weapon. The wounds on complainant must have been inflicted by someone else.

Defendant, in his evidence, contradicted the statement made by his solicitor by denying that he was at complainant's house at the time of the assault.

Mr. E. D. C. Wolfe sentenced defendant to two months' hard labour.

SNATCHER'S HEAVY HAUL.

A Chinese was charged with snatching \$3,333 from a Chinese shop accountant.

Inspector O'Sullivan said complainant was proceeding to the Chartered Bank to deposit the money, which he was carrying in an envelope, when defendant and another man accosted him. Suddenly defendant snatched the envelope and passed it on to his confederate, who ran away. Defendant attempted to follow his friend, but he was caught by complainant. Defendant asked complainant not to hand him over to the Police and promised to return the money. He invited complainant to accompany him to his friend's house, which, he said, was in Des Voeux Road. Complainant acquiesced, and while walking to the house, defendant managed to wrench himself free and escape. He was followed by complainant, shouting: "Thief, thief," and a Chinese detective arrested defendant. Inspector O'Sullivan added that the money had not been recovered and he asked the Magistrate to remand the case for a few days in order to enable him to trace the other man.

Mr. J. R. Wood remanded the case till Saturday.

HOSPITAL PATIENT'S SUICIDE.**THROWS HERSELF OUT OF A WINDOW.**

A Chinese female, 54 years of age, who was an inmate of the Government Civil Hospital, committed suicide, for some reason unknown, by jumping out of a window of No. 15 ward into Eastern Street. She was killed instantly.

THE MAN WHO KNEW GERMAN.

A knowledge of German was the indirect means of securing the Military Cross for Lieutenant R. E. Smythe, of the Canadian Infantry. When advancing with a patrol of scouts he encountered a party of nine of the enemy. On challenging them in their own language and receiving a reply that they were an infantry relief, he ordered them to advance, and got them under the fire of an advanced Lewis gun, at the same time commanding their retreat with his own party. He then called upon them to surrender. On their refusing he personally killed the leader of the party. Two others were killed and five captured, of whom three were N.C.Os.

A BOOK-KEEPER'S CLAIM.**ACTION DISMISSED.**

At the Summary Court, yesterday, before Mr. Justice Gompertz, a Filipino book-keeper, sued Connell Bros., importers and exporters, of Hotel Mansions, for wrong dismissal, claiming \$200, being the amount due for two months' salary.

Plaintiff stated that he was formerly in the employment of the French Store, and defendants asked him to resign and join their firm. He did so as book-keeper at a salary of \$100 per month. Some time later defendants' manager told him that they wanted to follow the United States custom and he could get out in 24 hours. They offered him half-pay but he refused to take it, and he was told by Mr. Burdin to clear out and do what he liked.

Cross-examined by Mr. Mattingley, plaintiff denied that when he was engaged by Mr. Burdin he was told that he was only on probation until it was seen what he was capable of, and that he could be discharged without notice. Mr. Burdin did say he (plaintiff) should not keep the books any longer. The reason for this was that Mr. Burdin had a grudge against him because when Mr. Connell was passing through he got very cross with Mr. Burdin. Mr. Connell got so angry with Mr. Burdin that he pushed him through the door.

Plaintiff and all the Chinese in the office saw the incident. Since then Mr. Burdin had been very shy and ashamed, and wanted to get rid of all the old staff.

Mr. Burdin, the manager of the firm, said he had only engaged plaintiff on probation. He was not capable of doing the work; as a matter of fact, if the firm had to do business on plaintiff's figures they would last about a month. If plaintiff had been capable witness would have been very glad to keep him.

Judgment was given for defendants.

HIGHER INCOME-TAX.**EFFECT OF NEW RATES.**

A memorandum has been issued by the Treasury showing in detail the effect of the new taxation proposals. For incomes below \$300, there is no change. How the new rates will work out in the case of incomes ranging from \$120 to \$2,500 is illustrated in the subjoined table:—

Income.	Existing Income-tax.	Amount of Tax.	Virtual Rate.	Income.	Existing Income-tax.	Amount of Tax.	Virtual Rate.
\$120	0	0	0	\$1,500	150	150	10
150	0	0	0	1,600	160	160	10
200	0	0	0	1,700	170	170	10
250	0	0	0	1,800	180	180	10
300	0	0	0	1,900	190	190	10
400	0	0	0	2,000	200	200	10
500	0	0	0	2,100	210	210	10
600	0	0	0	2,200	220	220	10
700	0	0	0	2,300	230	230	10
800	0	0	0	2,400	240	240	10
900	0	0	0	2,500	250	250	10

These figures, it should be noted, take no account of the allowances in respect of life assurance premiums, children, etc., which, in many cases, would substantially reduce the tax payable and the effective rate.

THE SUPER-TAX.

It is proposed to lower the limit of super-tax exemption from \$3,000 to \$2,500, and to increase up to a maximum of 2s. 6d. in the pound the rates of super-tax payable under the graduated scale. Details of the present and the proposed scales of charge are shown in the following table:—

Income.	Existing Income-tax.	Super-tax.	100 per cent. Effective & Super-tax.	Income.	Existing Income-tax.	Super-tax.	100 per cent. Effective & Super-tax.
\$2,500	250	0	250	\$10,000	1,000	1,000	2,000
3,000	300	0	300	11,000	1,100	1,100	2,200
4,000	400	0	400	12,000	1,200	1,200	2,400
5,000	500	0	500	13,000	1,300	1,300	2,600
6,000	600	0	600	14,000	1,400	1,400	2,800
7,000	700	0	700	15,000	1,500	1,500	3,000
8,000	800	0	800	16,000	1,600	1,600	3,200
9,000	900	0	900	17,000	1,700	1,700	3,400
10,000	1,000	0	1,000	18,000	1,800	1,800	3,600
11,000	1,100	0	1,100	19,000	1,900	1,900	3,800
12,000	1,200	0	1,200	20,000	2,000	2,000	4,000
13,000	1,300	0	1,300	21,000	2,100	2,100	4,200
14,000	1,400	0	1,400	22,000	2,200	2,200	4,400
15,000	1,500	0	1,500	23,000	2,300	2,300	4,600
16,000	1,600	0	1,600	24,000	2,400	2,400	4,800
17,000	1,700	0	1,700	25,000	2,500	2,500	5,000
18,000	1,800	0	1,800	26,000	2,600	2,600	5,200
19,000	1,900	0	1,900	27,000	2,700	2,700	5,400
20,000	2,000	0	2,000	28,000	2,800	2,800	5,600
21,000	2,100	0	2,100	29,000	2,900	2,900	5,800
22,000	2,200	0	2,200	30,000	3,000	3,000	6,000
23,000	2,300	0	2,300				
24,000	2,400	0	2,400				
25,000	2,500	0	2,500				
26,000	2,600	0	2,600				
27,000	2,700	0	2,700				
28,000	2,800	0	2,800				
29,000	2,900	0	2,900				
30,000	3,000	0	3,000				

In the appended statement is shown the effect of the Chancellor's proposals as regards certain incomes in respect of both income-tax and super-tax. The table gives the amounts which will be payable at the new rates (income-tax, 6s; super-tax, maximum, 4s 6d).

Income.	Existing Income-tax.	Super-tax.	100 per cent. Effective & Super-tax.	Income.	Existing Income-tax.	Super-tax.	100 per cent. Effective & Super-tax.
\$2,500	250	0	250	\$10,000	1,000	1,000	2,000
3,000	300	0	300	11,000	1,100	1,100	2,200
4,000	400	0	400	12,000	1,200	1,200	2,400
5,000	500	0	500	13,000	1,300	1,300	2,600
6,000	600	0	600	14,000	1,400	1,400	2,800
7,000	700	0	700	15,000	1,500	1,500	3,000
8,000	800	0	800	16,000	1,600	1,600	3,200
9,000	900	0	900	17,000	1,700	1,700	3,400
10,000	1,000	0	1,000	18,000	1,800	1,800	3,600
11,000	1,100	0	1,100	19,000	1,900	1,900	3,800
12,000	1,200	0	1,200	20,000	2,000	2,000	4,000
13,000	1,300	0	1,300	21,000	2,100	2,100	4,200
14,000	1,400	0	1,400	22,000	2,200	2,200	4,400
15,000	1,500	0	1,500	23,000	2,300	2,300	4,600
16,000	1,600	0	1,600	24,000	2,400	2,400	4,800
17,000	1,700	0	1,700	25,000	2,500	2,500	5,000
18,000	1,800	0	1,800	26,000	2,600	2,600	5,200
19,000	1,900	0	1,900	27,000	2,700	2,700	5,400
20,000	2,000	0	2,000	28,000	2,800	2,800	5,600
21,000	2,100	0	2,100	29,000	2,900	2,900	5,800
22,000	2,200	0	2,200	30,000	3,000	3,000	6,000
23,000	2,300	0	2,300				
24,000	2,400	0	2,400				
25,000	2,500	0	2,500				
26,000	2,600	0	2,600				
27,000	2,700	0	2,700				
28,000	2,800	0	2,800				
29,000	2,900	0	2,900				
30,000	3,000	0	3,000				

As a result of the proposed changes in taxation and postage rates, it is estimated that the additional amounts raised in the remainder of the current financial year and in a full year (exclusive of the luxury tax) will be \$27,800,000 and \$114,500,000 respectively.

As regards imports not affected by the Budget proposals, it may be noted that the estimated total is expected to produce \$6,000,000, an increase of over \$1,000,000, and the tea duty \$14,000,000, or nearly a million and a half more than last year.

TALES OF THE V.C.**2ND LIEUT. R. P. HALLOWES, 4TH MIDDLESEX REGIMENT.**

[BY LIEUTENANT J. F. LLOYD.]

While the great battle of Loos was in progress south of the La Bassée Canal, the enemy was being kept busy by less important operations at no fewer than four points between Ypres and Givenchy. The chosen spots for these "holding" battles were Hooge, in the old cockpit of Ypres Salient, Bois Greniez, South of Armentières, Neuve Chapelle and Givenchy itself.

The attack at Hooge was entrusted to General Haldane's 3rd Division and the 14th Division under General Couper.

The 3rd Division, who advanced south of the Menin Road against Sanctuary Wood, had the advantage of knowing the ground. They had been in the sector for some time, and had taken part in the heavy fighting round Hooge in the previous July. The battle opened at 4.30 on the morning of the 25th of September 1915, and at first our arms were everywhere successful. North of the Menin Road, Bellewaarde Farm and the ridge on which it stood were soon in British hands, while on the right the 3rd Division advanced some 600 yards towards their objectives in Sanctuary Wood. But gains in the Ypres Salient are hard to hold. It was not long before the big German guns on Passchendaele Ridge and behind Hill 69 began to speak. The Bellewaarde Ridge could not be held, and before evening our left was back once more in its own trenches. But south of the Road the 3rd Division clung grimly to most of the ground they had won.

For several days a bitter struggle raged across that shell-scarred waste round Sanctuary Wood. It was for his gallantry in this action during the seven days from the 25th of September to October the 1st that an officer of the 4th Middlesex was awarded the honour of the Victoria Cross. Second-Lieutenant Rupert Fries Hallowes, in command of a platoon of the 4th M.D., had distinguished himself earlier in the campaign, and had already won the Military Cross. On the afternoon of the 25th of September, his company, which was at the time holding trenches in support, was heavily shelled. Second-Lieutenant Hallowes seemed always to be where the danger was greatest. He walked continually up and down his platoon front, encouraging his men, and setting them a wonderful example of calmness and courage.

The days that followed were anxious days for the Battalion. Field gun and howitzer, trench mortar and machine-gun rained death into the ruined trenches. But none of these things could make Hallowes swerve from the path of duty. Several times, when all communications had been cut, he undertook the perilous journey to Battalion Headquarters with information which proved of the greatest value to his side. In his regard for the safety of his men he never cared what might happen to himself. Once when he and another officer were standing close together in the trench, a shell burst a few yards away. Both officers escaped, but three men were blown to pieces and the trench was filled in to the level of the parapet. Second-Lieutenant Hallowes set to work at once with a shovel and continued to dig until he was satisfied that none of his men were buried underneath. It was broad daylight, and all the time he was in full view of the enemy who were but a very short distance away.

Again, when, with a few men he was holding an advance trench fifty yards in front of our line, he saw, lying out on the open ground, between himself and the enemy, several men of another regiment who had been wounded two days earlier and had been unable to get back. Second-Lieutenant Hallowes succeeded in rescuing them under a heavy fire, and refused to take cover himself until the last man had been brought in safely.

The end came on October the 1st when he was struck and mortally wounded by a fragment of shell. He must have known that his dying yet, even in the few hours of life that were left to him, he showed the same superb unselfishness that had marked his conduct all through. He forgot his own agony in his zeal for the battalion he had served so well. As he lay there in the trench with his shattered leg, he heard them call for bombers to go up to the front. He tried to rise to fetch them himself, but death was very near, and he had not the strength. Just before he died, he said to the men who were gathered round him in the trench: "Men, if you've got to die, die like 'Die-hards'."

A few minutes later he was dead. It will be noticed that the last spoken words of this very gallant officer illustrated his jealous love for and pride in his Regiment: The famous "Die-hards."

U-BOAT SUNK BY DESTROYER

Whilst engaged in attacking a convoy off the south-west coast recently, a German submarine was destroyed by the resourcefulness of the commander of one of our torpedo-boat destroyers. The attack was made in ideal submarine weather—plenty of visibility and a slightly choppy sea—just before sunset. The submarine was without doubt submerged, for the first indication of her presence was the track of an incoming torpedo. The torpedo passed right underneath the destroyer, just before the bridge, and continued its course harmlessly. The commander of the destroyer at once put about, and went along the track of the torpedo, and, slowing down near what appeared to be the commencement of the track, dropped three depth charges. He then ported his helm, and the bows of a submarine were seen coming slowly above water, almost in a vertical position. The destroyer went full speed at the submarine in the hope of ramming her, whilst some trawlers opened fire on the U-boat.

Just before the destroyer reached the submarine the latter listed to port and sank like a stone, showing her conning tower and gun for an instant while doing so. During the time the submarine's bows were above the water she appeared to be almost stationary. Several other depth charges were dropped in the vicinity, and oil came to the surface. The commander of the destroyer has been awarded a bar to his D.S.O. for his resourceful attack.

LANE, CRAWFORD & Co.**FURNISHING DEPT.**

WE HAVE JUST RECEIVED

A LARGE STOCK OF

PLAIN CASEMENT CLOTHS

IN ALL SHADES.

CRETONNES and TAFETTAS

IN NEW COLOURINGS AND DESIGNS.

PLAIN and FANCY MUSLINS

AND</

NEW ADVERTISEMENTS

LOST.

FOX TERRIER PUP about 3 months old. White body, black head and black spot middle of back. Reward, if required.

"KINGSOLERE." [2162]

WANTED.

SHROFF, with Security of about \$8,000.

Apply in writing with references, if any, to—
"S. P."
Care of "Daily Press" Office. [2161]

NOTICE TO CONSIGNEES.

FROM CALCUTTA, PENANG AND SINGAPORE.

THE Steamship

"TEESTA" having arrived from the above Ports, Consignees of Cargo by her are notified that all Goods are being landed at their risk into the hazardous and/or extra hazardous Godowns of the Hongkong and Kowloon Wharf and Godown Co., Ltd., whence and/or from the wharves delivery may be obtained.

Goods not cleared by 27th June will be subject to rent.
All broken, stained and damaged packages are to be left in the Godowns, where they will be examined by Messrs. Goddard and Douglas on 28th June, at 10 A.M.

Claims against the Steamship must be presented in writing within 10 days after arrival of the Steamship, otherwise they will not be recognized. No Fire Insurance will be effected by the undersigned in any case whatever.

Bills of Lading will be countersigned by
DAVID SASSOON & Co., Ltd., Agents.
Hongkong, 20th June, 1918. [24]

HONGKONG GYMKHANA CLUB.

THE THIRD GYMKHANA MEETING of the season will be held at HAPPY VALLEY, TO-MORROW (SATURDAY), the 22nd instant, commencing at 4 P.M.

The Charge of Admission will be \$1 for others than members of the HONGKONG JOCKEY CLUB or GYMKHANA CLUB.
Soldiers and Sailors in uniform Free.
The Committee invite the Ladies of Hongkong to be present.
Hongkong, 18th June, 1918. [2157]

NOTICE.

IT IS HEREBY NOTIFIED that HOGG & KARANJIA, LTD., of Canton, have acquired the business carried on by KARANJIA & COMPANY, Hongkong, as from the First day of May, 1918, and that the name of the Company has been altered from HOGG & KARANJIA, LTD., to "HOGG, KARANJIA & CO., LTD.," and that the said Company will in future carry on business both at Hongkong and Canton under the latter name.
HOGG & KARANJIA, LTD. (Canton).
KARANJIA & COMPANY (Hongkong). [2158]

IN THE SUPREME COURT OF HONGKONG.

PROBATE JURISDICTION.

Re BEHRAM KAIKOSHURU BEJRANJI MEHTA, other i.e. written BEH-RAM KAIKOSHURU BEH-RAMJI MEHTA, deceased.

NOTICE IS HEREBY GIVEN that the Court, by virtue of Section 88 of the Ordinance No. 3 of 1907, made an Order limiting the time for creditors and others to send in their claims against the above Estate to the First day of July, 1918.
All creditors and others are accordingly hereby required to send particulars of their claims in to the undersigned on or before that date.

Dated the 8th day of June, 1918.
Messrs. DEACON, LOCKE, DEACON & HANSON.
Solicitors for the Administrator. [2159]

FOR SALE.

WE have always on hand large lots of WOLFRAM ORE for sale. Buyers are cordially invited to apply to—
FOOK YUEN, 77, Des Voeux Road West, Hongkong, or Fook Wo Cheung, Tobacco Firm, the Wai Lan Bridge, Canton, for particulars.

TER TUNG NAM MINING CO., Hongkong.
Hongkong, 19th June, 1918. [2158]

PUBLIC AUCTION.

BY ORDER OF THE MORTGAGEE.

MR. GEO. P. LAMBERT has received instructions to sell by Public Auction, on

FRIDAY,

the 28th day of June, 1918, at 3 P.M., at his Sales Room in Duddell Street, Victoria, Hongkong.

The following LEASEHOLD PROPERTY situate at Victoria, Hongkong, viz.:

All those pieces or parcels of ground situate at Victoria, aforesaid, and known and registered in the Land Office as the REMAINING PORTION OF SECTION A OF INLAND LOT No. 905 and THE REMAINING PORTION OF INLAND LOT No. 906 together with all the messuages or buildings erected thereon respectively. Term 99 years. Estimated Area 20,000 and 20,000 Square Feet respectively. Proportions of Annual Crown rent \$284.29 and \$388.42 respectively.

For further particulars and conditions of sale apply to—
Messrs. JOHNSON, STOKES & MASTER, Prince's Building, 100, House Street, Hongkong.

Solicitors for the Mortgagee or to
Mr. GEO. P. LAMBERT, The Auctioneer.
Hongkong, 14th June, 1918. [2142]

INTIMATIONS

HONGKONG ST. GEORGE'S DAY DRAWING OF WAR BONDS.

THE DRAWING will take place in the THEATRE ROYAL CITY HALL, TO-DAY (FRIDAY), 21st June, at 4 P.M.

100,000 Tickets have been issued, 98,000 have been sold (For division of Prizes see separate advertisement).
The following numbers have not been sold:—10950/11099, 11120/11139, 86820/86859, 95757/95859, 98443, 98990.

In the event of any of these unsold tickets being drawn against any Prize, the number of the Ticket will be treated as void and another number will be drawn immediately.
No Ticket having drawn a Prize will be eligible to draw another Prize. If any Ticket number comes out twice, it will be treated the second time as void and another number will be drawn immediately.

Admission free to the Theatre. The stage will be reserved for the officials conducting the drawing.

BY ORDER OF THE COMMITTEE.
Hongkong, 18th June, 1918. [2150]

HONGKONG ST. GEORGE'S DAY DRAWING OF WAR BONDS.

NOTICE IS HEREBY GIVEN that out of 100,000 Tickets issued 98,000 have been sold.

The resulting amount will be dealt with as follows:—

98,000 Tickets at \$5 each \$490,000
Less estimated expenses 10,000

Total for distribution \$480,000
25% is given to War Charities 117,500

Leaving for distribution in prizes \$362,500

The Prizes will be as follows:—

Prize No.	Amount	Total
1 of \$178,250	\$178,250	\$178,250
2 of 52,975	105,950	52,975
3 of 35,250	105,750	35,250
4 of 10,000	40,000	10,000
5 of 7,500	37,500	7,500
6 of 5,000	30,000	5,000
7 of 2,500	17,500	2,500
8 of 2,000	16,000	2,000
9 of 1,000	9,000	1,000
10 of 700	7,000	700
11 of 400	4,400	400
12 of 300	3,600	300
13 of 200	2,600	200
14 of 100	1,400	100
15 of 25	375	25

103 prizes totalling.....\$362,500

Winning Tickets should be presented at the HONGKONG AND SHANGHAI BANKING CORPORATION, Hongkong, during business hours.

BY ORDER OF THE COMMITTEE.
Hongkong, 18th June, 1918. [2151]

WANTED.

SHIPS SURGEON Wanted immediately for voyage to Calcutta.
Apply stating terms to—
Box No. 2148.
Care of "Daily Press" Office. [2148]

HOUSES TO LET

TO LET.

No. 4, MORRISON HILL, from 1st July.

Apply to—

THE TREASURY, [2108]

TO LET.

HOUSE at OBSERVATORY VILLAS, Kowloon.

Apply to—

ALFRED V. APCAR & CO., Des Voeux Road Central. [2109]

TO LET.

COMMODOUS and well-fitted SHOP in Alexandra Buildings.

Apply—

SECRETARY, A. S. WATSON & Co., Limited. [1987]

TO LET.

HOUSES on Shamoon, Canton.

No. 57, THE PRINCE, LUSTLEIGH.

Apply to—

THE HONGKONG LAND INVESTMENT & AGENCY Co., Ltd. [2158]

TO LET.

No. 7, STEWART TERRACE, No. 33, THE PRINCE.

4-ROOMED FLAT, No. 56, THE PRINCE, "STANTON LODGE," Mount Parrish, Kennedy Road level.

Apply to—

LINSTEAD & DAVIS, 3rd Floor Alexandra Buildings. [2158]

TO LET.

FLAT in Nathan Road, Kowloon.

FOUR-ROOMED HOUSES in Kowloon.

A Shop in NATHAN ROAD, Kowloon.

Apply to—

HUMPHREYS ESTATE & FINANCE Co., Ltd., Alexandra Buildings. [2100]

INTIMATION

WATSON'S

E

THE PREMIER SCOTCH.



DISTINCTIVE IN FLAVOUR.

WELL MATURED.

MELLOW.

A. S. WATSON & CO., LTD.,

WINE AND SPIRIT MERCHANTS.

TEL. 616.

ACKNOWLEDGMENT.

Mrs. Bryson and family gratefully acknowledge the many kind letters and expressions of sympathy received in their recent sad bereavement, and desire to thank the numerous friends who sent floral tributes. [2100]

HONGKONG OFFICE: 104, DES VOEUX ROAD, C. LONDON OFFICE: 131, FLEET STREET, E.C.

The Daily Press.

HONGKONG, 21st JUNE, 1918.

CROSS-CURRENTS IN CHINESE POLITICS

WHEN TUAN CHI-JUI united the country last July in his opposition to CHANG HSUN's monarchical restoration scheme, it seemed natural to suppose that he would earn the gratitude and win the confidence of his fellow-countrymen. The Southern elements, however, jealous of his success, evinced renewed hostility. The difficulties and obstacles which he encountered while this faction constituted the Kuomintang majority in Parliament were as nothing compared to their active opposition in the field when they raised the standard of revolt and made the reconvoocation of the old impossible Parliament their slogan. TUAN attempted to enlist their support, but they refused to accept his leadership under any condition. They were frankly and avowedly irreconcilable, and there was no alternative but to accept their challenge. The military leaders of the North decided that war should be waged against the South in order to re-establish the authority of Peking. TIAN had hoped that compromise would settle the differences between the two parties, but as the opposition would not listen to any reasonable proposals, he had perforce to agree to the militant policy of his supporters, who had determined that the Southerners should be fought until they were compelled to sue for peace. Undoubtedly this policy seemed the proper one to adopt, for any settlement which should leave the Southern discontents in their respective offices free to declare

their independence of the Government whenever it failed to fall into line with their views would merely perpetuate the conditions favouring civil war and anarchy. Only by the consolidation of authority in Peking could the country enjoy the benefits of a stable government. TUAN CHI-JUI seemed to be the man to take command of affairs with a view to the attainment of this end; and even yet, in spite of his mistakes, he stands out as the one man with the requisite courage and ability necessary for the completion of the task.

The decision of the North to fight the South gave SUN YAT-SEN and his followers an opportunity to range themselves in opposition to the "unconstitutional" TUAN CHI-JUI, and they associated themselves with the revolting Southern and South-Western generals, who, however, had no great affection for the extremists of the Kuomintang. While, therefore, it is correct to refer to the South as fighting against the North, it has to be borne in mind that the fighting is largely independent of the Rump Parliament now functioning in Kwangtung. In ordinary circumstances the disunited South should easily have been vanquished by the Government forces sent against them. Here, again, however, the unexpected has happened. The initial successes that attended the Government campaign in Hupeh and Hunan were not followed up, because of dissensions in the Northern ranks. At one time it might have been suggested that these divisions were the outcome of jealousy on the part of the various commanders, and while it would be idle to pretend that jealousy was absent, it is safe to say that the dissatisfaction which gave rise to this division in the Peiyang party was due entirely to the Premier's Japanese policy. Apparently, TUAN recognises that China can do little without outside assistance and that the only country in a position to render that assistance at the present time is Japan. Nor is it surprising that Japan, seeing China unable to restore order and to develop her natural resources, should feel impelled to intervene in the larger interests of the world. China wants financial accommodation. Japan is the only country to afford it, and, following the precedent of European nations, Japan will only lead on substantial security. Much as the Chinese dislike to see their several sources of national income hypothecated to the Japanese, they cannot legitimately complain, as the transactions are perfectly legal. But what has really perturbed the people and military leaders of the North is the Convention recently concluded between China and Japan for military co-operation in the Far East against the German menace in Siberia. This agreement practically provides for Japanese control of Chinese military movements in the threatened region. Textually, there is no clause actually stating that the Japanese should take command, but, if the occasion be presented, it is certain that this will happen in the interests of military efficiency. Chinese military leaders, fearing Japanese control of the Army and Navy, disapprove of the Government's action in the matter of this agreement. They realise that they would be deprived of their power and authority.

In order to make intervention unnecessary—or, at any rate, to afford as little excuse for it as possible—these Northern warriors, who a few months ago declared that the South must be fought to a finish, are now prepared to make peace almost at any price. It is not that they have been discomfited in the field; it is not that they are tired of fighting; it is that they wish to retain their power and influence, and that they can only do by bringing the present strife to an end. Consequently, the Northern militarists, who formed the bulwark of the Peiyang party and the main support of the Premier, have ranged themselves against TUAN CHI-JUI in order to force him to make terms with the South. TSAO KUN and CHANG HSUN-CHU have withdrawn their forces from the front, and their defection resulted in the first army being defeated by an inferior body of troops. Although ordered by the Government to continue fighting, they have not complied. HSU SHU-CHANG, the ex-Vice-Minister of War, and General CHANG TAO-LIN, of Mukden, whose power rested on the predominance of the military party, are endeavouring to force TUAN to continue the campaign, but, for the reasons given, it has become a half-

hearted affair with little present hope of success. TUAN's authority and position have been weakened, and it is possible that he may be made a scape-goat and forced from office again. Really, there are three elements in the Northern ranks—there are those who wish to fight; there are the pacifists; and there are the neutrals, the former friends of the Premier, who have deserted him at this juncture because of his pro-Japanese policy. It is the last-named element which will decide the terms of settlement, if there be any. Peace may be brought about by the warring forces sheathing their swords lest Japanese authority become a real factor in Chinese affairs. To accomplish this TUAN CHI-JUI, who is one of the ablest men in China, may have to be sacrificed. If China should become united in consequence the experiment might be welcomed, but it is extremely doubtful if order will be restored in China by consent. A strong will must dominate the country, and for that reason it is to be feared that a patched up peace will not bring the blessings in its train that might be expected.

The following cases of communicable diseases were notified in the Colony on Wednesday:—Cerebro-spinal fever, 4 (3 deaths); bubonic plague, 3 (3 deaths); enteric fever, 3 (2 deaths). All the sufferers were Chinese, except one, an Indian (enteric fever).

A very successful mixed whist-drive and social gathering was held by the members of the Sergeants' Mess of the Middlesex Regiment at Victoria Barracks on Wednesday evening. The mess was tastefully decorated for the occasion, and the very successful evening was highly gratifying to the Committee as this was the first entertainment of its kind so far attempted by the members of the mess. The prize-winners were:—Ladies—1st, Mrs. Blackburn; 2nd, Mrs. Lyth; 3rd, Mrs. Sainsbury. Men—1st, Mr. Blackburn; 2nd, Mr. Alderman; 3rd, Sgt. Longland, Mx. Regt. The duties of M.C. were carried out by C.Q.M.S. Slocombe, Mx. Regt., and Sgt. Leigh, Mx. Regt. The whist-drive was followed by a musical evening at which the following contributed songs:—Sgt. Blaker, Mx. Regt.; Sgt. Payne, Mx. Regt.; C.Q.M.S. Bently, Mx. Regt.; Mrs. Pile; and Staff-Sgt. Lyth, A.S.C.

MORE "SILVER BULLETS" FROM HONGKONG.

FURTHER GIFT OF £250,000 TO THE IMPERIAL WAR CHEST.

We have received for publication copies of the following telegrams to and from the Secretary of State for the Colonies regarding a further gift of £250,000 from the Colony of Hongkong to His Majesty's Government towards the general expenses of the war:—
From His Excellency the Governor.
To the Secretary of State.
29th May, 1918.

"Unofficial Members of the Legislative Council unanimously desire that Colony of Hongkong should make a further gift of £250,000 towards the general expenses of the war. If you approve, Crown Agents will be instructed accordingly."

From the Secretary of State.
To His Excellency the Governor.
15th June, 1918.

"His Majesty's Government desire to express cordial appreciation of the generous offer, which they gratefully accept."

CANTON NEWS.

[BY COURTESY OF THE "CHUNG NGOI SAN PO."]

CANTON, June 20th.

GENERAL LUK.
An official message states that General Luk Wing-ting is now proceeding to Wuchow. It is believed that he will come to Canton to confer with Dr. Wu Ting-fang and others. It is also said that he will proceed to inspect the Hunan front.

DISORDERLY TROOPS IN CHIU CHOW.
The Prefect of Chiu-chow (Swatow) has reported to the Tsuchun that the Yunnan troops suddenly occupied his yamen yesterday and made away with everything in it. He is proceeding to Canton for instructions.

It is reported that the local authorities have again approached a certain firm for a loan of \$750,000, secured on the Cement Works.

LAUNCHES LOST.
It is reported that when Un-tai's troops revolted in the Heungshan district, they seized 16 launches, not one of which has been found since the capture of the place. It is feared that these launches were sold to bandits who may use them to create disturbances.

CHINESE TELEGRAMS.

[BY COURTESY OF THE "CHUNG NGOI SAN PO."]

THE ATTACK ON KWANGTUNG.

PERKING, June 19th.
General Lung Chai-kwang and Chang Wai-chi (Tuchun of Shantung) have consulted the Peking Government with regard to attacking Kwangtung. Chang has been appointed Chief Commander. General Lung left Peking on the 19th inst.

THE OPIUM DEAL.

The agreement to purchase the raw opium for 6,300 taels per case has been signed. The opium is being resold to a Company who offered \$16,000 per case. The opium will be used as drug, and the time-limit for delivery is three months.

THE EXECUTION OF LU KIN-CHANG.

Li Shun (Tuchun of Kiangsu) and Chan Kwong-yuen (of Kiangsi) have jointly asked the Peking Government why Lu Kin-chang was shot.

POLICE SUPERINTENDENT'S SON SEIZED BY BANDITS.

The son of the Peking Police Superintendent has been seized by bandits, who demand a ransom of \$300,000.

[THROUGH REUTERS' AGENCY.]

THE OPIUM DEAL.

PERKING, June 18th.
The Agreement has been signed whereby the Government purchases 1,700 chests of opium, the balance of the Shanghai Combine's stock of Indian opium, at Tls. 8,200 per chest, and sells at Tls. 8,200 to a Chinese syndicate whose headquarters are at Nanking.

The Combine pays the Government \$5,000,000 and receives \$15,000,000 in National Bonds.

The Syndicate will purchase all the opium in China consisting of the Yunnan product and smuggled Persian opium before the enforcement of the monopoly.

THEIR MAJESTIES' SILVER WEDDING FUND.

SIXTH LIST OF CONTRIBUTORS.

Mrs. Gurner, Mrs. Bowdler, Mrs. Cooper, Mrs. Ritchie, Miss Ritchie, Mrs. Pope, Mrs. Redmond, Mrs. Chou Po-Sien, Mrs. J. Rodger, Miss Rodger, Mrs. J. W. Stewart, Mrs. Raworth, Miss Eva Ho Tung, Miss Daisy Ho Tung, Miss Irene Ho Tung, Miss Jean Ho Tung, Miss Grace Ho Tung, Miss Florence Ho Tung, Mrs. M. J. Patell, Miss Patell, Mrs. Packham, Miss Packham, Mrs. Moore, Miss Chettle, Mrs. Hodgson, Mrs. Sydney Chinchin, Mrs. H. Ruttonjee, Mrs. S. H. Dutton, Mrs. H. R. Macaskill, Mrs. Keigwin, Mrs. Bell, Mrs. J. W. White, Mrs. Claxton, Mrs. I. Ireland, Mrs. Ralphs, Mrs. Fung Ping Shang, Mrs. Chan Pek Chuen, Mr. Li Wing Kwong, Mrs. Wong Lan Shang, Mrs. Chan Ngan Ting, Mrs. Lo Chung Wan, Mrs. Yu Yat Yu, Mrs. Mok-Kon Shang, Mrs. Tong Wan Ting, Mrs. Liu Yau Suen, Mrs. Chiu Chung Yik, Mrs. Yeung Sui Wong, Miss Wong Kam Fuk, Mrs. Wright, Mrs. F. X. d'Almada e Castro, Mrs. J. McCubbin, Mrs. Lau Yik Cheuk, Mrs. Tong Yat Chuen, Mrs. Ip-Lui Kwong, Mrs. Ko Yik Kum, Mrs. Pun Ngai Shun, Mrs. Au Yang Shun Ting, Mrs. Tse Yue Nung, Mrs. Choi Hing, Mrs. Tong Nai Keung, Mrs. Ho Woon Sang, Mrs. Choi Cheong, Mrs. S. R. Aitken, Mrs. Weill, Mrs. F. A. Gomes, Miss C. Hanson, Mrs. Arthur Diss, Mrs. Lindsay Woods, Mrs. Beckwith, Mrs. Stackhouse, Mrs. Colin Owen, Mrs. Pollock, Mrs. A. R. Lowe, Mrs. Rose, Mrs. J. H. Wallace, Miss Betty Wallace, Mrs. Eustace, Mrs. E. J. Noronha, Mrs. T. Oliphant, Mrs. J. Hooper, Miss Joyce Hooper, Mrs. A. D. D. Cousland, Mrs. D. J. Lewis, Mrs. G. L. Platt, Mrs. Denison, Miss Denison, Mr. A. Stevenson, Mrs. H. L. Stringer, Mrs. Seguin Strahan, Mrs. Chunyut, Mrs. J. Witchell, Mrs. Chan Kan Yue, Miss Winnie Chan Kai Ming, Miss Gertrude Chan Kai Ming, Mrs. Adams, Mrs. Macdonald, Mrs. Talati, Mrs. F. W. S. Evans, Mrs. Forster, Miss Fairall, Miss Reay, Mrs. Spittles, Miss May, Miss Iris May, Miss Dione May, Mrs. Montagu Harston, Mrs. Butterfield, Mrs. E. O. Holmes, Mrs. Kent, Mrs. T. M. Gregory, Mrs. Koch, Mrs. Coppin, Mrs. F. Archie, Mrs. Malcolm Murray, Miss Filkins, Mrs. Loureiro, Miss M. Loureiro, Miss L. Loureiro.

Former List \$4,176.50
6th List 1,622.00

\$5,798.50

THE WAR.

VIOLENT BATTLE RAGING ON THE ITALIAN FRONT.

GRIM RESISTANCE BY ALLIED TROOPS.

MR. BONAR LAW REVIEWS THE MILITARY SITUATION:

OUR TROOPS MORE READY THAN EVER TO FACE THE ENEMY.

BRITISH SHIPPING CONSTRUCTION EXCEEDS DESTRUCTION.

Franco-Belgian front.

LATEST CABLES.

[THROUGH REUTER'S AGENCY.]

THE BRITISH FRONT.

AERIAL OPERATIONS.

London, June 19th. 12.10 a.m.

Field-Marshal Sir Douglas Haig reports on aviation as follows:—The enemy's machines were active on June 17th over the northern portion of the British front, and there were many air combats.

We destroyed 25 aeroplanes and drove down three.

We dropped 20 tons of bombs on railway stations, junctions, dumps, and aerodromes in the daytime and nine tons at night-time.

Five British machines are missing.

SUCCESSFUL RAIDS.

London, June 18th. 10.00 p.m.

Field-Marshal Sir Douglas Haig reports:—We carried out successful raids last evening northward of Lens. We raided southward of Hulluch this morning and captured several prisoners, after strong fighting.

GERMAN REPORT.

London, June 18th. 10.00 p.m.

A wireless German official report states:—We repulsed the enemy who attacked towards midnight south-westward of Albert, following violent outbursts of firing.

THE FRENCH FRONT.

FRENCH IMPROVE POSITIONS.

A communiqué states:—Artillery activity was fairly lively north-west of Montdidier, also between Montdidier and the Aisne.

We carried out a local attack south of Valsery, improving our positions and capturing 100 prisoners and some machine-guns.

A German raid was repulsed in the region of Avocourt.

During the past five days 32 enemy aeroplanes were brought down and another four were brought down by our anti-aircraft guns, and 22 tons of bombs were dropped on the railway stations at Soissons, Reims, Nesles and Chaulnes.

AMERICAN REPORT.

London, June 20th. 1.40 a.m.

An American official report states:—There was continued artillery firing in the Chateau Thierry region, also on the Marne front.

Our patrols crossed the Marne on the night of June 17th, and secured prisoners.

Naval Activities.

LATEST CABLES.

[THROUGH REUTER'S AGENCY.]

THE "KONINGEN REGENTES."

THE HAGUE, June 18th.

The British Naval Commander who is on board the tugboat *Zeeland* is an interned officer, while the German Naval officer on board is one of the German prisoners accommodated in Holland.

EARLIER CABLES.

WORLD'S SHIP CONSTRUCTION EXCEEDS DESTRUCTION.

London, June 18th.

In the House of Commons, Mr. Bonar Law announced that the world's ship construction now for the first time exceeded destruction. (Loud cheers.) Therefore, there was no chance whatever, as far as it was possible to foresee, of Great Britain being starved into submission.

BRITISH OFFICIAL MESSAGE.

London, June 19th. 8 a.m.

A British Italian official message states:—The situation on the British front is unchanged. General Cavan particularly draws attention to the Northumberland Fusiliers, Sherwood Foresters, Warwicks, and the Oxford and Buckinghamshire Light Infantry, for the fighting qualities they displayed in the battle of the 16th inst.

The Anglo-Italian artillery showed great initiative, causing the heaviest losses to the enemy.

The Air Force, owing to the mist, was unable to operate practically during the whole of the battle, but gallantly delayed the enemy's advance across the Piave.

The total prisoners taken exceeds 1,000, while the material includes five mountain-guns, 72 machine-guns, 20 flamethrowers, and one trench-mortar.

NO GERMAN REGIMENTS.

London, June 18th.

It is not believed that there are any German regiments on the Italian front, although probably German commanders have been sent to see that the German plan is carried out in accordance with German rules and habits.

ENEMY THRUSTS ARRESTED.

On the northern edge of Montello we strengthened our occupation on the river as far as Casaserena.

The enemy from the north-eastern salient of the front delivered two attacks. The first was arrested eastward of the line north-eastward of Giavera, and the second was held up immediately southward of the San Mauro-San Andrea railway.

Partial attacks in the Grappa region were repulsed.

Successful *coup-de-main* were carried out and 100 prisoners captured.

Enemy thrusts at the end of the Brenta Valley and eastward of Frenzela Valley were promptly arrested.

On the eastern margin of the Asiago plateau we wrested from the enemy Raza, Pizzo and the heights south-eastward of Sasso, capturing 300 prisoners.

We and the French, strongly attacking, gained ground on the spur of Costa Lunga, taking prisoners. The British further west captured numerous other prisoners. The bearing of the Italian and Allied troops is admirable. From St. Elvise to the sea every man understood that the enemy absolutely must not pass, and every defender on Mount Grappa felt that each yard of the historic mountain was sacred to their native land. To all our own and the Allied artillery may be assigned particular merit for breaking the first impetus of the onslaught.

ENEMY RUSHING UP RESERVES.

London, June 19th. 8.00 a.m.

Mr. Warner Allen, on the Italian front, telegraphing on June 17th, says the enemy is rushing up reserves to the Piave, where alone he obtained a limited success. The moment has come for the reserves to play their part, and the Italians in this have an advantage, as they hold interior lines with great roads and a plain for the concentration of troops which are admirably provided for motor-transport. The Italians have adopted a masterly method of offensive defense. Every enemy advance is followed by a counter-attack which is pushed home most rapidly and most decisively. In several cases batteries have recovered prisoners released by a speedy counter-attack.

EARLIER CABLES.

STRUGGLE STILL RAGING.

London, June 18th. 7.00 p.m.

An Italian official report states:—The violence of the battle somewhat decreased on the mountain front, but is increasing along the Piave.

The enemy's renewed attempts opposite Maserada and Candelo to establish new openings on the right bank of the river on Monday were sanguinarily repulsed.

The struggle raged unceasingly from Fossalto to Caposile. Terrible attacks, alternated counter-attacks, and the beginnings of vigorous advances were crushed or arrested.

The struggle was suspended only late at night-time. The Italians were strenuously tried, but the enemy was unable to increase the short depth of the strip of ground on which fighting has been raging for four days.

We captured 1,500 prisoners. Our airmen tirelessly participated in the battle, and effectively, notwithstanding the heavy rain.

AUSTRIAN REPORT.

London, June 18th. 8.15 p.m.

A wireless Austrian official report states:—General von Wurms gained ground at numerous points in Venetia. His southern wing, fighting stubbornly, reached the Possetta Canal.

Archduke Joseph consolidated his successes in the Montello region. Counter-attacks broke down.

We captured in three days in this region 73 guns, including many of heavy calibre. The enemy's counter-attacks on both sides of the Brenta were constantly, yet vainly, renewed.

British attacks southward of Asiago were equally unsuccessful.

Our prisoners are now 30,000 and the guns captured 120.

General.

EARLIER CABLES.

[THROUGH REUTER'S AGENCY.]

REVIEW OF THE WAR. SPEECH BY CHANCELLOR OF EXCHEQUER.

London, June 18th.

Mr. Bonar Law, in the House of Commons, in moving a vote of credit for £500,000,000, recalled that the vote moved on March 7th was for £600,000,000. Estimated expenditure for 99 days to June 8th had been £482,000,000 millions, while actually the expenditure had been £9,500,000 less. While it was not safe to rely upon a diminution throughout the year, he considered the estimate might be taken as an indication of the general position. After mentioning that the possibilities of the country's production have nearly reached the maximum, he said loans to the Allies and Dominions during the 69 days under review showed a reduction from the estimate of £10,100,000. The total debt due by the Allies to Great Britain was £1,370,000,000, while the Dominions owed £200,000,000.

Reviewing the general situation, Mr. Bonar Law agreed with the enemy's belief that the Austrian success in Italy would have far-reaching results in France, but up to the present the Austrian offensive had failed. (Cheers.)

After paying a tribute to the tenacity and courage of the Italians, Mr. Bonar Law said the Italian Command was perfectly confident and did not fear the result. The Allies had given a great deal of ground in France during the past three months, but the enemy had not attained any of his well-known strategic objects. (Cheers.) There is clear and increasing evidence in the German Press that the German people are becoming disappointed with the success attained. He was sure Great Britain's anxiety three months ago would have been less if it had been possible to foresee the present position.

We must regard the struggle in the light of the phases of the first blow on March 21st, which was undoubtedly an enemy success. The first phase of the Battle of the Lys was also a great German success, but, on the other hand, the intense enemy attack on the Third Army before Arras resulted in a complete British victory, in which immense losses were inflicted on the enemy. The same was true of the later phase of the Battle of the Lys, where, after repeated attempts, the enemy were unable to overcome the British resistance, and we could legitimately claim that as a British victory. The first attack on the French was a great enemy victory, but the recent immense attack entirely failed. These attacks, which were the most deadly and most threatening of the war, immediately had important and far-reaching results, which it was hoped in the end would prove decisively important. One resulted in a unity of command, and everybody who followed the conflict would realize that the results had justified the change. (Cheers.) This long-continued battle must be a question of reserves, the Allies' great source of which was in America. The enemy had not succeeded in the aim to use the Allied reserves before they could be reinforced from America. (Loud cheers.) He wished it were possible to tell the House the number of troops sent from Great Britain and the strength of our own forces since March 21st. It was a large number. The strain of necessity had rendered possible what seemed impossible. American troops are not coming. They have come. (Loud cheers.) America is not coming into the war. She is in it. (Loud cheers.) The American troops have justified everything. He hopes as regards their fighting quality. In this connection he quoted an extract from the minutes of the last Supreme War Council. "Thanks to the prompt and cordial co-operation of the President of the United States, arrangements have been set on foot for the transportation and brigading of American troops which will render it impossible for the enemy to get victory by wearing out the Allied reserves before he has exhausted his own." (Loud cheers.)

Mr. Bonar Law said the presence of the Dominions' Representatives and discussions with them had reminded him of a serious preoccupation when they were here a year ago. He referred to the difference between the air and submarine situations then and now. He wished it were possible to tabulate for the general notice not only of the people of this country but of the whole world the magnitude of the British air effort. (Cheers.) There was no branch of which we have greater reason to be proud. (Cheers.) It was almost universally felt that our air force was the best in all the theatres of war.

The submarine menace was probably still the cause of privation to the country, but for the first time in April, and the same is true for May, of which the figures would be published immediately, the world's construction of ships exceeded the destruction of ships. (Cheers.) Therefore there was no chance humanly foreseeable that Great Britain would be starved into submission. This importantly affected the military position. The German conviction that America could not possibly bring her resources into the struggle soon enough to seriously affect the result has proved a mistaken one. (Cheers.) The troops which have already come and are pouring in monthly have reached a figure which even a month or two ago we would have thought absolutely impossible. (Cheers.) The inflow of American troops was the great fact of this year, and ought to be the decisive fact in the whole war. (Cheers.)

Regarding the present military situation, Mr. Bonar Law said a new blow was coming soon, but it was impossible to say where. All information received shows that despite all the sufferings and hardships the morale of our troops was never higher than it is to-day, and they were never more ready to face the enemy. (Cheers.)

The Chancellor of the Exchequer next paid a tribute to the French soldiers and the splendid spirit of the French people. The result must always be uncertain, but those responsible and best competent to judge viewed the future without alarm, but if within three months the enemy did not secure any of his well-known strategic objects his campaign will have proved the most disastrous campaign in which he has engaged, despite his victories hitherto.

Concluding, Mr. Bonar Law said the future of the country and of the world depends upon the next few weeks. It depends, firstly, on our own and the Allied troops, but also on those at home. It is for us to bear a share of the strain thrown upon us as our soldiers have and will bear theirs, with confidence and hope. (Loud cheers.)

MR. ASQUITH SEEKS INFORMATION.

Mr. Asquith, after paying a tribute to the constant and undaunted temper of the nation, urged that it was in the interests of the Allied cause that full and authoritative information as regards the progress of the campaign should be given from time to time. He asked for information as regards the operations in Palestine, Mesopotamia, and Salonika, and the collapse of Russia. He said they could not close their eyes to what was going on in Russia, nor its future relations to the Allied cause. He was not disposed to wipe Russia off the slate or to treat her as non-existent, or to assume an attitude that "she must stew in her own juice." That would be a policy of fatal shortsightedness.

Mr. Asquith advocated building up the relationship of an intimate alliance with Russia, with all the resources of diplomacy and, if need be, naval and military assistance. Russia stood to gain more by a German defeat than any one of the separate members of the Alliance.

Mr. Asquith urged that it should be publicly stated that we are anxious as ever to have Russia on our side, and our assurance should be given to the great Russian Democracy that they had our sympathy in their present anxieties and travail.

As regards the appointment of the Generalissimo, they were perfectly certain that, if unity of command was necessary, there was no soldier in the whole Allied Forces to whom they could give more trusting and complete confidence than the illustrious Foch.

Mr. Asquith asked for assurances that measures are being taken to replace the wastage of combatants, also to improve the means of communication, as the enemy's example in this connection, enabling them to move divisions in an incredibly short time by night, had been a lesson to us.

Finally, Mr. Asquith reiterated the firmest belief not only in the goodness but in the eventual triumph of the Allied cause.

Mr. A. F. Whyte contributed to the debate a glowing tribute upon the past and glorious effort the Italian people have put forth, and urged that greater publicity should be given to our unquestioning appreciation of it.

Replying to Mr. R. D. Holt, Mr. Bonar Law indicated that the Government would at a later stage reply to the points raised in the debate.

The vote of credit was adopted without a division.

LATEST CABLES.

RUSSIAN AFFAIRS.

BRITISH PROPERTY IN RUSSIA.

London, June 18th.

Mr. Balfour has appointed a Committee to ascertain particulars of British property in Russia and to register claims for compensation regarding them.

GERMAN USE OF LIMBURG RAILWAY.

BRITAIN ASKS HOLLAND FOR A CLEAR EXPLANATION.

THE HAGUE, June 18th.

It is stated that the increased traffic on the Limburg Railway amounts to 72 train-loads daily from Germany to Belgium and vice versa, and that the British Government views the great increase with suspicion, and is asking Holland to furnish a clear explanation regarding the nature of the goods in transit in order to ascertain whether they are for military purposes.

HOME-GROWN FOOD SUPPLIES.

COMMITTEE'S RECOMMENDATIONS.

London, June 18th.

The report is published of the Committee appointed by the Ministry of Reconstruction to recommend methods for increasing home-grown food supplies in view of the interests of national security. The Committee declares that in any future crisis like the present Great Britain must be wholly independent of overseas supplies of corn, potatoes and dairy produce, and less dependent on overseas supplies than at present, and if the recommendations are adopted these objects would be attained. The recommendations include a minimum wage for agricultural labourers, that the minimum prices of wheat and oats be guaranteed, prices varying in accordance with the variations in the standard of value obtaining after the war. Government assistance for the establishment of the sugar and beet industry, and the continuance of the present tariff for ten years are recommended.

DOMINIONS AND RESIDENT MINISTERS.

London, June 19th.

The *Morning Post* says it is proposed that resident Ministers of the Dominions in London be appointed, at least for the duration of the war, in addition to the High Commissioner. They will deal with all war matters concerning the Dominions. It remains to be decided whether all will be members of the War Cabinet, like Lieut-General Smuts and Mr. Hughes.

ADMIRALTY APPOINTMENT.

London, June 18th.

The *Gazette* announces that Commodore Bartolome has been appointed successor to Rear-Admiral Halsey at the Admiralty.

DR. GARRETT ANDERSON'S SUCCESSOR.

London, June 19th.

Sir Robert Stevenson Horne has been appointed successor to Dr. Garrett Anderson.

EARLIER CABLES.

DUTCH SOCIALIST LEADER SUSPECT.

AMSTERDAM, June 18th.

The Dutch branch of the League of Neutral Nations has decided to telegraph Mr. Havelock Wilson warning against M. Troelstra, the Dutch Socialist leader, and asking whether British sailors are willing to transport a pro-German who at the beginning of unrestricted submarine warfare assured the German Socialists that Holland would not declare war if Dutch vessels were torpedoed.

TROELSTRA MAY NOT RECEIVE HIS PASSPORTS.

THE HAGUE, June 19th.

Herr Scheideemann, interviewed, stated that M. Troelstra has returned to Berlin. M. Troelstra so far has not received his passports to England, and it is believed he may not receive them.

ECONOMIC RESOURCES OF FRENCH COLONIES.

PARIS, June 18th.

Petit Parisien learns that, as a result of the forthcoming interpellation in the Senate by M. Flaudin, Senator for the French Indian possessions, a special Senate Committee will be appointed to study the economic resources of the French Colonies, and to submit bills for the purpose of increasing the economic production of the colonies in war-time and after the war.

TURKS ADVANCE INTO PERSIA.

London, June 18th.

A Turkish communiqué states:—We occupied the town of Tabriz, in Persia, and both shores of Lake Urmia, with a view to protecting the wing of our army in the Caucasus.

GOVERNMENT OF INDIA SCHEME.

London, June 19th.

An article in the *New Statesman*, reviewing the various publications upon the new scheme of Government for India, remarks that the Indian Nationalists, no more than the Civil Servants, have yet adequately grappled with the problems how to introduce responsible government gradually. The Nationalists have laid stress upon increasing more and more the proportion of elected members held by Indians, and on simultaneously increasing the power and proportion of elected members to the Viceregal Provincial Councils, but these things bring India no nearer to responsible Government. What Mr. Montagu has to contrive is some way to approach by successive steps the goal of handing over the Indian administration to Ministers genuinely controlling their own departments, and who are liable to removal from office if they forfeit the confidence of the Legislature. This is what the Government pledged itself to advance gradually, and at its own time. It is for this advance that Mr. Montagu has now to propose the immediately practicable steps.

The writer of the article favours a solution whereby the administration of every province should forthwith be divided into two parts, with distinct departments and budgets. One part comprising those branches which cannot be immediately handed over would remain as at present, and the other, including health, education and public works, would be placed under the members of Council chosen by the Lieutenant-Governor from the majority of the Legislative Assembly. This method of approach would not be a sham, but would gradually be an increasing trial of the real thing.

MR. RAMSAY MACDONALD'S VIEW.

London, June 18th.

An article by Mr. Ramsay MacDonald, M.P., in the *Labour Leader*, expresses the opinion that Mr. Montagu's views as set forth in his Memorandum on the Indian Government now before the War Cabinet, are on the whole sound. He then asks what ought to be the regulating features of the new scheme. First and most important is the establishment of real Legislatures to control the policy and finance, and an executive which is responsible to the political organs.

Mr. Ramsay MacDonald expresses surprise that home Nationalists favour a scheme whereby the executive will remain the creations of the Viceroy or Secretary of State, obedient to him on the one hand yet bound to carry out the decisions of the Legislature. This is the creation of a deadlock.

THE SILVER MARKET.

London, June 18th.

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THERAPION No. 1
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THERAPION No. 3
THERAPION No. 4
THERAPION No. 5
THERAPION No. 6
THERAPION No. 7
THERAPION No. 8
THERAPION No. 9
THERAPION No. 10
THERAPION No. 11
THERAPION No. 12
THERAPION No. 13
THERAPION No. 14
THERAPION No. 15
THERAPION No. 16
THERAPION No. 17
THERAPION No. 18
THERAPION No. 19
THERAPION No. 20
THERAPION No. 21
THERAPION No. 22
THERAPION No. 23
THERAPION No. 24
THERAPION No. 25
THERAPION No. 26
THERAPION No. 27
THERAPION No. 28
THERAPION No. 29
THERAPION No. 30
THERAPION No. 31
THERAPION No. 32
THERAPION No. 33
THERAPION No. 34
THERAPION No. 35
THERAPION No. 36
THERAPION No. 37
THERAPION No. 38
THERAPION No. 39
THERAPION No. 40
THERAPION No. 41
THERAPION No. 42
THERAPION No. 43
THERAPION No. 44
THERAPION No. 45
THERAPION No. 46
THERAPION No. 47
THERAPION No. 48
THERAPION No. 49
THERAPION No. 50
THERAPION No. 51
THERAPION No. 52
THERAPION No. 53
THERAPION No. 54
THERAPION No. 55
THERAPION No. 56
THERAPION No. 57
THERAPION No. 58
THERAPION No. 59
THERAPION No. 60
THERAPION No. 61
THERAPION No. 62
THERAPION No. 63
THERAPION No. 64
THERAPION No. 65
THERAPION No. 66
THERAPION No. 67
THERAPION No. 68
THERAPION No. 69
THERAPION No. 70
THERAPION No. 71
THERAPION No. 72
THERAPION No. 73
THERAPION No. 74
THERAPION No. 75
THERAPION No. 76
THERAPION No. 77
THERAPION No. 78
THERAPION No. 79
THERAPION No. 80
THERAPION No. 81
THERAPION No. 82
THERAPION No. 83
THERAPION No. 84
THERAPION No. 85
THERAPION No. 86
THERAPION No. 87
THERAPION No. 88
THERAPION No. 89
THERAPION No. 90
THERAPION No. 91
THERAPION No. 92
THERAPION No. 93
THERAPION No. 94
THERAPION No. 95
THERAPION No. 96
THERAPION No. 97
THERAPION No. 98
THERAPION No. 99
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ST. GEORGE'S DAY. LONDON'S CELEBRATION.

In London on St. George's Day the national flag in miniature, and roses, were everywhere in the streets, and were generally worn, the proceeds from their sale going to aid hospitals and war charities. The occasion also marked the anniversary of the day on which Shakespeare was born and died. While the school-children celebrated St. George's Day throughout the Empire, the American children kept "Shakespeare Day" in their schools. The most novel feature of the day's proceedings was the fact that, for the first time, every English soldier had the right to wear a rose or a St. George's flag in his cap—a concession due to the efforts of the Royal Society of St. George.

Viscount Milner was present for a little while at the annual meeting of the Royal Society of St. George, held at the Mansion House. In a brief speech his Lordship paid a tribute to the devoted spirit of the nation in the hour of its greatest trial, and its readiness to make every sacrifice for the defence of ordered liberty against a ferocious militarism. The Lord Mayor (Alderman Hanson, M.P.) presided, and on his special invitation a number of wounded soldiers attended the meeting. A telegram was sent to the King in the following terms:—

"Members of the Royal Society of St. George assembled at the Mansion House in commemoration of St. George's—England's—Day, the name-day of your gracious Majesty, their patron, offer their humble duty. Your Majesty's noble example strengthens the resolve of all true and loyal Englishmen to stand firmly by their King until victory shall make possible an enduring and honourable peace."
HANSON, Lord Mayor.

The following reply was received in the course of the afternoon from Windsor Castle:—

"I thank you, my Lord Mayor, for the message you have sent to me on behalf of the members of the Royal Society of St. George, today assembled at the Mansion House. The terms in which you refer to the resolve of all true and loyal Englishmen have touched me deeply, and I feel confident it is this spirit of determination that will assuredly encourage one and all to fulfil the great purpose that lies before the nation—George, R.I."

Viscount Milner, who had a cordial reception said: "This day is devoted to the cult of patriotism. This society exists to foster love for our country. Never in all our long history has there been more cause for her children to love their country, or to feel pride in their country, than to-day. (Cheers.) In this hour of trial, of bitter stress, of universal sorrow and anxiety, our country stands out greater than ever she stood in the past; great in the matchless heroism of her sons—not only in their courage, but in their cheerfulness, their undimmed spirit, as they hold out day after day in the forefront of the battle for human freedom—and in the greatness of her cause. All that we have suffered for the past four years, all that we are suffering to-day, would be absolutely unbearable if it were not for our consciousness that what we are fighting for is something beyond all price. As we watch with straining eyes the long line of that battle-front, swaying backwards and forwards, denied here and there, but never broken—(cheers)—we bear in mind that all the future of humanity is at stake. Ordered liberty—the golden mean between anarchy and despotism—is our country's great gift to the world, and it is for the defence of ordered liberty against a ferocious militarism, which shrinks from no carnage and to ruthlessness in order to subjugate the remaining free nations of the world, that all these sacrifices are being made. (Cheers.)"

But this country is prepared for every sacrifice. All its men and women—and no praise can be too high for the calm courage and endurance and devotion of the women—are prepared to suffer and to die for the greatest cause to which any nation has ever been consecrated. Never has the banner of St. George floated over more magnificent fighting men by land, by sea, or air, or over a more united, a more resolute, and a more uncompromising people. (Cheers.) The issue is in the hands of a Higher Power; but whatever the issue, there is cause for pride and gratitude to-day—pride in the justice of our cause and the immensity of our effort, gratitude to God for the fact that in this, the greatest trial to which this country has ever been exposed, we stand—trampling under our feet the factions which ordinarily divide us—as a united people for the defence of human freedom and international right. As long as that spirit of unity and devotion continues to animate us all, it is a mere truism to say that this nation and Empire are unconquerable. (Cheers.)"

The Lord Mayor moved a resolution urging that the time had come when St. George's Day should be proclaimed a national holiday, with special celebrations in all schools throughout England, for the encouragement of patriotism, the teaching of which should form part of the regular curriculum, and approving of the appointment of a deputation to approach the Prime Minister and the Minister of Education to urge immediate action on these lines.

The resolution, which was seconded by Sir Charles Wade, who said the war had taught us the meaning of the great phrase, "The Commonwealth of Nations." The resolution was adopted unanimously.

Mr. Howard Ruff, hon. secretary, announced that the Society had cabled the following message to the President of the United States:—

"The Royal Society of St. George assembled at the Mansion House in honour of England, St. George, and Shakespeare, send respectful greetings: England, with the United States, invincible, will like St. George, crush the dragon—foe of humanity and civilization."

Messages had also been sent to and replies received from the St. George Societies of New York, Winnipeg, Toronto, and other branches in America, Canada, and Australia.

The proceedings concluded with the singing of the National Anthem.

IRELAND'S CRISIS. CONSCRIPTION AND THE CHURCH.

[BY INDEX.]

There is one point that the Irish, ever conscious of their traditions, might well have borne in mind. Fifty years hence all the denunciations and all the defences of Irish action at this moment will be dead and forgotten. Only the plain fact will remain, that in an hour of world-wide emergency Ireland refused to play her part on behalf of civilisation against German militarism. When the call went out to the Greek States to combine against the Persian danger, some of them refused to come out. No doubt their orators provided them with excellent reasons why they should not risk Mr. de Valera's "extermination." Afterwards, some of them seem to have bribed the priests of Delphi to add their names surreptitiously to the serpent tripod which was set up as a memorial of the valour of Greece. It is to be doubted if this helped them much. Clearly it is an unfair thing to impose on a race the necessity of explanation throughout the centuries, and this is what the Irish leaders are now doing. He may have had a sound excuse to offer, but history has not taken the trouble to record it, and poor Ascher has become proverbial wherever the Old Testament is read. It is right that the facts of this controversy should be re-stated. At the outbreak of war John Redmond made his famous speech in the House of Commons, and vindicated his offer not merely to the death of his own nearest and dearest, but, as we all believe, to his own destruction also. But he could not speak for Ireland. The country had a population of 4,300,000, and after 150,000 new recruits had been obtained, recruiting practically came to an end. The reasons for this failure were those suggested above. Mr. Birrell before the Hardinge Commission suggested three or four more or less fanciful causes, but in a masterly phrase summed up the root of the whole matter. The spirit of what to-day is called Sinn Féinism is mainly composed of the old hatred and distrust of the British connection, always noticeable in all classes and in all places, varying in degree, and finding different ways of expression, but always there as the background of Irish politics and character. It was a damning indictment of his own factional laziness in Irish matters, but it explains how Sinn Féin came to be the power in the land which it is to-day. It was Sinn Féin that wrecked recruiting in Ireland.

On the importance of this little cloud, no larger than a man's hand, that floated slowly up from the Irish horizon between 1905 and 1913, John Redmond and Dillon took opposite attitudes. The former made light of it, the latter, with deeper insight, saw the danger, which deepened within it, but neither recommended the Chief Secretary—who himself fully saw the imminent peril—to take action. Even in those early days the nominal heads of Irish political opinions were afraid of their own followers. But they were not nearly as afraid of them as they were soon going to be.

As I have said before, Arthur Griffith, the leader, and almost the founder, of the movement, saw at once the opportunity that presented itself. In the later months of 1916 there seemed to be no probability that conscription would ever be enforced in Ireland. But that, if anything, seemed a favourite one with popular leaders, and, under the careful tutelage of its mentor, Sinn Féin at once announced itself as the protector of Irish males of military age against the conscription which was in force in England and Wales. It struck the right note, and from that moment the scale turned against the Nationalists. The rebellion of Easter week, 1916, was really more successful than if a temporary Irish Republic had been established, and then stamped out with severity. It provided a proof that more active and in earnest than their elders; it was a definite challenge to every man in every village conversation in the south and west—a challenge that no one dared take up, under penalty of becoming a suspect; above all, as a bid for absolute independence, it was a substitute that could understand for the intolerably complicated compromise which, under the name of the Government of Ireland Act, 1914, seemed already shelved for good. And it was the organisers of this sturdy revolt who offered Irishmen security from conscription. No wonder that Nationalism was shaken to its core.

THE HIERARCHY.

All this time the Roman Catholic Church—so far at least as its senior members were concerned, gave them no guidance. The chief difficulty which hampers the spiritual work of the parish priests in Ireland is that they are dependent upon the offerings of the congregation for their living. The result is that the Roman Church cannot well oppose a popular movement, whatever form it may take. So far the trumpet of Irish opinion was giving an uncertain sound, and the Church held its hand until the sentiment of the people had declared itself. Many of the most careful students of Irish affairs are of opinion that it would have been a wise political move to endorse the proposal in Great Britain. The influence of that Church in Ireland is incontestable, and it must be reckoned with at every turn by the Home Government. In the view of those to whom I refer, it would have been a prudent thing to have lifted that influence out of the reach of the demagogue and the tedious monger. However, we must take the facts as they are, and we must remember that material necessity compels the priests to exhibit an acquiescence in the will of the people for the time being, however unwelcome that intention may seem to the heads of the Roman communion in Ireland. Later on, their influence may be set to shape the movement.

Here it may be noted that this necessity lies at the root of a long recognised and slowly increasing divergence between the attitude of the Irish hierarchy and that of the Vatican. No more foolish cry was ever raised than that the recent action of the Irish bishops was dictated by Rome. The Holy See would be only too glad to have the power to dictate anything of the kind to Irish bishops. Her interference, or even her advice—except in cases clearly coming under the head of "faith and morals," which are few indeed—has been long resented by the Irish ecclesiastics. They will have nothing forced upon them from outside, and their present *démarche* is due entirely to their deliberate compliance with the Sinn Féin campaign. It does not make the matter any more palatable to English critics that the Irish hierarchy is using power derived from Rome for purposes that Rome would not dare to sanction; but the position of the Hibernian branch of Roman Catholicism is, at the moment, one which almost entirely exonerates the Vatican from any complicity. Of course, the theory in the Roman Church is that each bishop holds authority in his diocese directly from the Pope. For all real purposes, the practice in Ireland is different. The conference at Maynooth a fortnight ago illustrates the point. At it the Catholic bishops and archbishops met to decide a common policy, and it was tacitly assumed, as usual, that the policy accepted by this majority would be loyally carried out by all present. This, it will be seen, is a long way from the theory of direct responsibility, and it is interesting to see what action, if any, is taken by the Holy See to restrain bishops who by its law are bound by this responsibility from attempting to weaken the forces of one of the belligerents by ten divisions. If the Holy See takes no notice at all, the charge now brought against it in England and Scotland will, of course, be justified, but on other grounds than those of having originated the policy.

THE PROCLAMATIONS.

We come now to recent facts. The history of the way in which the hierarchy issued two proclamations in respect of the proposal to apply conscription to Ireland is of importance, and comes to me from a high authority.

In the morning of the day on which the united conference was held by the Nationalists in Dublin, the prelates assembled at Maynooth issued a temperate and non-committal edict in which they protested in principle against the scheme of conscription. Why they did this is clear from what has been said above. After long waiting for some clear sign of unity on the part of their Irish flock, they were suddenly given their opportunity. All parties, Parliamentarians, Sinn Féiners, Liberals, and Labour, all stood shoulder to shoulder to oppose the measure. The Church acted at once in a similar sense. It was, perhaps, natural. Meanwhile, the mixed conference in Dublin had been at work, and in the middle of the day the hierarchy received a deputation from it. The resolutions of the laymen were laid before the bishops, and supported by the eloquence of the leaders of both Nationalists and Sinn Féiners. The other speakers were received well, but without enthusiasm. It is said that Tim Healy ran out of the course rather by laying stress upon the intrigues of Freemasonry that, in his opinion, underlay the proposal. De Valera alone rose to the occasion. He implored the assembled bishops to believe that of his followers 95 per cent. were Catholics, and with an astuteness which one cannot help admiring, claimed that Sinn Féiners were Catholics first and Irishmen afterwards. Striking while the iron was hot, he followed this up by the definite pledge that if the bishops would only throw their weight into the scale on his side, no action should henceforth be taken without the previous definite sanction of the hierarchy. If the phrase may be used of their reverence, this attitude stamped the ecclesiastical dignitaries, and without further consideration a second and much more aggressive proclamation was issued against the application of conscription to Ireland. This declaration must be read in conjunction with the Bishop of Killdare's positive statement that the hierarchy "naturally left it to the political sense of the people to determine what particular means would be the most effective at their disposal." That completed the blind surrender of the Church to Sinn Féinism.

At once, of course, both the Nationalists and the Church have realised their mistake. The latter have been apologised for by Mr. Sullivan in letters which have not done much to relieve the situation. The former have at once joined issue with their Sinn Féin allies, and are opposing their tooth and nail at the East Cavan election. But it is widely felt that De Valera spoke nothing but the plain truth when he said on Sunday last that the moral to be drawn from "recent events" was that "the nation had been thrown back upon, and had, in effect, adopted the policy of Sinn Féin." These are the first and instant results of the ill-considered proclamations of Maynooth. *Daily Telegraph.*

DUSTMAN OFFERED COMMISSION.

The story of a London dustman who was offered a commission in the Army as a reward for distinguished conduct in the field has just come to light (says the *Star*) through the official announcement of its hero's death. When war broke out Will Clements was a dustman employed by the Lambeth Borough Council, for whom he had worked fifteen years. Within twenty years' Volunteer and Territorial service behind him, "Singing Billy" made a fine soldier, and saw active service in France, Salonika, and Egypt. His gallant services in the field having been brought to the notice of his commanding officer, Clements was offered a commission, surely the only dustman to attain that honour. He refused it, but consented under pressure to promotion to company-sergeant-major. In that capacity he was acting with distinction when he died on active service.

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AFTER-WAR TRADE. STATE AID FOR INDUSTRY. MODIFIED PROTECTION. PROPOSED TARIFF BOARD.

Important proposals for securing the future maintenance and expansion of British commerce and industry are submitted in the final report, of the Committee on Commercial and Industrial Policy, after the War, presided over by Lord Balfour of Burleigh. The inquiry, extending over some eighteen months, has covered a wide field. It may be recalled that in February, 1917, the Committee recommended the adoption of the principle of preference for Dominion products and manufactures, and that they subsequently presented interim reports, outlining the trade measures, which should be adopted during the transitional period following the conclusion of hostilities, and the steps which should be taken to ensure the preservation of "key" industries.

In the present Report the conclusions embodied in these interim reports are recapitulated, and the Committee further submit detailed recommendations dealing with the following, among other subjects: Fiscal policy.

Development of Imperial resources, and the conservation of Empire raw materials.

Internal reorganisation of industry, and the assistance to be rendered by the State in promoting it.

Financial facilities for trade, and the bearing of taxation on industrial development.

Treatment of enemy and other aliens in commercial and industrial occupations.

In regard to two other questions—weights and measures and coinage—the Committee are unable to recommend any changes.

Shipping policy after the war is not dealt with in the Report, but, in view of the world shortage of tonnage, the Committee express the opinion that, whilst it may be desirable to impose for a limited period some restriction on the use of British ports by enemy vessels, and policy which might tend to check the use of our ports by foreign shipping generally would be inexpedient. They, however, urge that, in accordance with the Paris Conference resolutions, the exaction of reparation in kind from enemy countries should, in the interests of the reconstruction of industry and our Mercantile Marine, be carried out as fully as may be practicable.

The report proposes:

1. Action against "dumping."

2. Maintenance at all hazards of "key" industries.

3. Protective Customs duties or other Government assistance to carefully selected branches of industry regarded as essential to the country.

4. Preferential treatment for the Dominions.

5. Utilization, if possible, of Customs duties in promoting trade with Allies and neutrals.

6. Establishment of a strong independent board to deal with all applications from industries for State assistance, whether by protective duties or otherwise.

Lord Balfour, Sir C. Henry, Sir Gerard Muntz, Sir C. Parsons, and Mr. Scooby Smith consider that these proposals do not go far enough, and suggest that a general *ad valorem* tariff of 10 per cent. should be imposed upon all wholly or mainly manufactured articles imported into the United Kingdom.

Sir Alfred Booth objects generally to the fiscal proposals, and Sir Clarendon Hyde, Mr. A. F. Pease, and Sir A. Williamson, M.P., who does not sign the report—are opposed to the giving of protection by tariffs to selected branches of industry.

TRANSITIONAL MEASURES.

From a survey of the general position of British industry and overseas trade in 1913, the last complete year of peace, the committee find that in long-established manufactures with the important exception of the iron and steel trades, British industry had shown in the decade preceding the war great vitality and power of extension, but that in the rise and expansion of the more modern branches of industrial production the United Kingdom had taken only a limited share.

Certain branches of production, of great importance as a basis for other manufactures, had come to be entirely or very largely under German control, and in numerous branches of industry outside the great staple trades, foreign competition had become increasingly acute, and foreign manufacturers had secured a strong, or even predominant, position.

In overseas trade British merchants and manufacturers were encountering energetic and successful competition. This is ascribed by the Committee to a variety of causes, including the adoption by foreign merchants and manufacturers of methods of organisation and distribution different from, and in some cases markedly more effective than those hitherto pursued by British traders.

Owing to the abnormal conditions due to the war, whilst an amount of foreign trade very large in value has been maintained, its character and directions have been altered in many respects. War requirements have enormously increased our productive capacity in certain great branches of industry, notably the steel and chemical trades, and in numerous directions British manufacturers have shown much adaptability and resourcefulness. The Committee believe that the knowledge and experience gained during the war will be a most valuable asset, and they urge the vital importance of every effort on the part of both employers and employed to attain the largest possible volume of production in order to secure the speedy recovery of our industrial and financial position.

As to the measures which should be adopted during the transitional period, the Committee reaffirm the main recommendations of their interim reports, namely:

(a) The prohibition of the importation of goods of enemy origin should be continued, subject to licence in exceptional cases, for at least twelve months after the conclusion of the war, and subsequently for such further period as may be deemed expedient.

(b) The Paris resolutions relating to the supply of the Allies for the restoration of their industries can be carried into effect if a policy of joint control of certain important commodities can be agreed upon between the British Empire and the Allies. Any measures should aim at securing to the British Empire and the Allied countries priority for their requirements, and should be applied only to materials which are mainly derived from those countries and will be required by them. This policy should be applied as regards the United Kingdom by legislation empowering the Government to prohibit the export except under licence of such articles as may be deemed expedient, and as regards the British Empire and Allied countries the Government should, without delay, enter into negotiations with the various Governments concerned, with a view to the adoption of suitable joint measures in the case of selected commodities of importance.

The Government should consider in consultation with the Allies, the expediency of establishing after the war a joint organisation on the lines of Commission Internationale des Ravitaillements, for dealing with the orders of the Allied Government for reconstruction purposes, and with such private orders as they may find it expedient to centralise.

It is pointed out that the prolongation of the war and the entry into it of the United States have increased the importance of a considered policy directed towards assuring to the British Empire and the Allies adequate supplies of essential raw materials during the period immediately following the conclusion of peace, that the extent to which the Paris resolutions which bear upon this vital question can be carried into effect depends upon the co-operation of the Governments concerned.

CONTROL OF RAW MATERIALS.

The Committee recognise that in addition to the foregoing proposals it will be necessary to continue for some period after the war some portion of the control of home and foreign trade, in order particularly to secure to the country adequate supplies of foodstuffs and raw materials for industry and their fair distribution. But they recommend that such restrictive measures should be kept within the narrowest possible limits, and that, wherever practicable, the trades concerned should be entrusted with the working of the control under Government authority.

Any attempt to make the Empire self-sufficient in respect of the numerous raw materials for which we are, wholly or mainly, dependent on foreign countries would, in the Committee's opinion, be neither practicable nor economically sound. They think that a selective policy will be necessary, which shall have regard to relative importance, whether industrial or military, and to the sources of supply and the likelihood of their disturbance in time of war. They doubt if the proposals of the Dominions Royal Commission for the establishment of a single Development Board to deal with this problem and with certain other matters is immediately practicable, and suggest that it would be possible to make more rapid progress by dealing separately with a number of special commodities or groups of commodities.

It is noted that the Board of Trade have already set up a Committee to investigate the question of the supply of cotton within the Empire, and the Committee recommend that special inquiries should be instituted on these lines as regards each commodity which may be selected for treatment. The object to be kept in view should be that the Empire may be capable in an emergency of being independent in respect of the supply of every essential commodity of any single foreign country or possible combination of foreign countries. They further recommend that in these inquiries advantage should be taken of the organisation which already exists at the Imperial Institute, and that a small independent committee should be appointed to consider to what extent and in what manner the Institute can be made most effective for the purpose.

As regards alien interests, in Imperial sources of supply, some Government control will, it is suggested, be necessary in respect of a limited number of commodities of vital military importance. Apart from this limited class of cases, the Committee think it would be unwise to aim at the exclusion of foreign (other than present enemy) capital from sharing in the development of the Empire's material resources. Legislative powers should, however, be taken to secure:

(a) Complete disclosure, as far as is practicable, of the extent of foreign holdings in any particular case.

(b) That mineral and other properties are not secured by foreign concerns in order to prevent the development of these properties, and to check competition in supply; and

(c) That in the case of commodities of great Imperial importance, the local Government concerned should have some measure of control over the working of the properties.

These principles, if accepted, should be brought to the notice of the Governments of other parts of the Empire, with a view of the adoption of a uniform policy.

ALIENS IN BUSINESS.

On an important question of the participation of aliens generally in commercial and industrial occupations in the United Kingdom, the Committee express the opinion that it would not be desirable to impose any special restrictions. They hold that, in the limited number of cases

in which some restriction or safeguards may be necessary, adequate security can as a rule be ensured by requiring disclosure of the facts. Such occupations as those of pilot and patent agent should, however, be confined to British-born subjects, in view of the special opportunities they afford for obtaining information affecting national security.

Consideration should be given to the question whether foreign commercial travellers operating in the United Kingdom should not be registered and required to hold licences, for which fees would be charged, which could, however, be remitted in the case of travellers representing firms of such countries as do not impose dues on British commercial travellers.

The registration of title to property should be made compulsory over the whole of the United Kingdom, and such registration should involve a declaration of the nationality of the owner or transferee, in order to enable the Government to decide whether in any particular case national security requires the expropriation of foreign interests.

While the Committee are unable to support the proposal that every limited company should be required to include in its annual return to Somerset House a statement of the amount of its stock or shares held by aliens, they recommend that the Board of Trade should have power to make an investigation in cases where alien control might be undesirable, and where there is ground for suspecting its existence to an undue extent.

In the Committee's opinion, it would be unwise to enter on a policy of checking the establishment or continuance of the agencies or branches of foreign banks or insurance companies in Great Britain although these should be required in future to take out annual licences. Foreign insurance companies should be required to make a deposit proportionate to the business done by them, and steps should be taken to prevent foreign banks from evading the income-tax.

The Committee consider that for a period after the war it will be necessary to impose special restrictions on the subjects of the present enemy countries, and that this can best be done by means of stringent permit and police regulations.

Subject to such safeguards, they do not think it will be necessary or practicable, except possibly for a short period in special cases, to attempt to prevent present enemy subjects from establishing agencies, or holding interests, in commercial or industrial undertakings generally in Great Britain. "In particular, we think that it would be impracticable and expedient to impose any restrictions or discriminations as regards the use of London insurance or reinsurance facilities. Any such measures could only result in shifting the international centre, and would inflict serious loss, not only on the London market, but on the country as a whole."

"KEY" INDUSTRIES.

In a previous report the committee submitted proposals for the maintenance and development of industries essential to national safety and indispensable to important British trades—industries which before the war were in enemy hands or under enemy control. The commodities which were the subject of recommendations were:

Synthetic dyes, spelter, tungsten, magnetos, optical and chemical glass, hosiery needles, thorium nitrate, limit and screw gauges, and certain drugs.

In respect of dyes and spelter the Government have already taken action.

Since no general measure will suffice to meet the varying requirements of the several industries concerned, the committee repeat their recommendation that a permanent Special Industries Board should be established, charged with the duty of watching the course of industrial development and of framing from time to time, when necessary, either on its own initiative or on the application of interested departments or persons, detailed schemes for the promotion and assistance of industries concerned with the production of commodities of the special character indicated.

As regards our industries generally, it is apparent from the evidence before the Committee that there is a widespread feeling that a reconsideration of our industrial and trade organisation has become necessary in consequence of the increasing intensity of foreign competition, and the lines on which it is conducted. That competition is based largely on a system of combination in respect of production and distribution which has hitherto made comparatively little progress in the United Kingdom. There is a considerable body of opinion, with which the Committee are in general agreement, that the individual manufacturer and merchant will find it increasingly difficult to keep abreast of technical progress to meet effectively the competition of powerful foreign consolidations and combinations, operating as these do under a single guidance and with great financial resources. It is in their view necessary that in some important directions the individualistic methods hitherto mainly adopted should be supplemented or entirely replaced by co-operation and co-ordination of effort in respect of:

1. The securing of supplies of materials.

2. Production, in which we include standardisation and scientific and industrial research; and

3. Marketing.

ORGANISATION AND FINANCE.

Discussing the lines on which industrial and trade combination may be developed, and the attitude which the State should adopt towards it, the Committee, in the first place, express the opinion that it is very desirable that in all important British industries there should exist strong, comprehensive, and well-organised associations, which should be clearing houses of information of common interest and opened be

competent to voice the opinions and needs of their respective trades as a whole.

Every encouragement should be given by the Government to the formation of combinations of manufacturers and others, concerned to secure supplies of materials, and that, where it appears expedient that the control of mineral deposits in foreign countries should be obtained, all practicable support should be given.

In regard to production they think that the constructive action must come from the industries themselves, but, in order to facilitate the necessary organisation of many industries on a larger scale, they recommend:

That an authority should be set up which should have the right, after inquiry to grant compulsory powers for the acquisition of land for industrial purposes and the diversion or abolition of roads or footpaths. That there should be a judicial body with compulsory powers to deal with the question of wayleaves required for the development of mineral royalties and the economical working of collieries and mines.

While it is recognised that the formation of organisations for marketing in respect of overseas trade will stimulate the creation of combinations for the control of domestic sales, the Committee believe that such development is not only desirable in some cases, but practically inevitable under modern conditions, and that the attitude of public opinion, of local authorities, and the State, which has hitherto been antagonistic, must be modified. They consider moreover that, so far from being adverse to the interests of labour, combinations of employers are on the whole beneficial to the workers in the trade affected in respect of rates of wages, steadiness of employment, and other matters.

They think that it would be inexpedient for the Government to enter upon any policy aiming at positive control of combinations, but that it is desirable that some means should be devised for securing to a responsible Government department adequate information as to the formation of combinations, and that provision should be made for State investigation in special cases. At the same time, combinations should, where necessary, be legalised so as to be enforceable between members. Recommendations are accordingly submitted to this end.

On the question of the provision of financial facilities for trading purposes the Committee are of opinion that there is room for an institution or institutions the object of which is to co-ordinate and supplement previously existing financial facilities, and they welcome the establishment of the British Trade Corporation.

It is drawn to the inadequacy of the urgent demand which will arise after the war for capital for the re-establishment of industry on a peace basis will be profoundly affected by the policy of the Government in regard to taxation, the currency, and the maintenance of the foreign exchanges, and they recommend that these matters should be the subject of early inquiry by the Treasury in consultation with representatives of banking and commerce. As a general rule, they think it would be undesirable that the State itself should attempt to provide capital for industrial purposes. Attention is drawn to the industrial purposes, the allowances for depreciation of machinery and plant in the assessment for income-tax, and it is recommended that the Treasury should take immediate steps to revise the scales.

FISCAL QUESTION.

FOR AND AGAINST A TARIFF.

Coming to the important question of a revision of our fiscal policy, the Committee state that a reconsideration of the whole problem is made inevitable by the fact that, whilst the economic strength of the country has so far borne with remarkable success the strain upon our material and financial resources resulting from an unparalleled war, certain defects in, and dangers to, the great fabric of British trade and industry have been revealed; and by the further fact that in their opinion those defects and dangers can be removed, and their recurrence guarded against, only by a fresh examination of what has hitherto been our national policy. They lay down the following propositions, which they believe will meet with general acceptance:

1. Some Governmental action should be taken to promote and safeguard the development in the United Kingdom of industries of a special or "pivotal" character (i.e., industries on which other and large branches of industrial production are dependent), or which, whilst essential for munitions purposes, are not of sufficient commercial importance to ensure their development without State assistance.

2. Some Government assistance should be given to industries, other than those mentioned above, which are important for the maintenance of the industrial position of the United Kingdom, where such assistance is proved to be necessary because of the inability of the industries to maintain and develop themselves by reason of undue foreign competition, inadequate supplies of raw materials, or any other causes.

3. A serious attempt should be made to meet the declared wishes of the Dominions and Colonies and of India for the readjustment and development of their economic relations with the United Kingdom.

4. An effort should also be made to develop trade between the British Empire and our Allies.

5. Subject to agreement with our Allies in the matter, present enemy countries should not, for a time at least, be allowed to carry on trade with the British Empire in the same unrestricted manner as before the war, or on terms equal to those accorded to Allies or neutrals.

With regard to "dumping," the Committee do not consider that such drastic measures as prohibition or confiscation would be expedient. They recommend

that legislative action for the prevention of "dumping" be taken in the United Kingdom on the lines (though not necessarily in the precise form) adopted in Canada, but they see no reason why the "anti-dumping" duty should be restricted, as in that Dominion, to 15 per cent. It should be equivalent to the full difference between the "selling price" and the "fair market value," however large that difference may be.

As to the further measures which should be adopted to secure the objects set out above, the Committee state that it was urged in many quarters that the simplest method would be the establishment of a comprehensive tariff scheme covering the whole range of imports into the United Kingdom, and worked out on the general lines adopted in other great industrial countries.

On full consideration the majority of the Committee came to the conclusion that it was not necessary or expedient to adopt this proposal, for reasons which they thus summarise:

1. A claim for protection cannot normally be regarded as valid, unless the industry which makes it can show that, in spite of the adoption of the most efficient technical methods and business organisation, it cannot maintain itself against foreign competition or that it is hindered from adopting these methods by such competition.

2. There are some large branches of production, such as the main branches of the cotton trade, in which there is no demand for any measure of protection.

3. The primary object of State policy should be the development of industries of importance to the national security and well-being, and any State action directed against industries which do not contribute appreciably or at all towards the increase of the national wealth would be economically unsound.

4. Any State action likely to raise prices, even temporarily, for any commodities of national importance, should be confined within the closest possible limits.

5. It is of paramount importance that our export trade should not be hampered by any policy, which might unduly increase the cost of production in this country, as compared with the cost in other countries; and a more limited tariff could be used equally well, though not so extensively, for granting Imperial Preference and also for the purpose of negotiation with foreign countries. Attention is directed to the expediency of considering measures of Imperial Preference other than the imposition of differential Customs duties, as, for example, Government contracts to purchase for a term of years at guaranteed minimum prices part or the whole of the output of materials of great industrial importance or financial assistance from the Home Government towards the development of Imperial resources.

As to the argument that a tariff on wholly or partly manufactured articles would be a substantial source of revenue, it is pointed out that on the basis of imports in 1913 an average *ad valorem* rate of duty even of 10.15 per cent. would not be likely to yield more than a very few million pounds a year in revenue, and a far-reaching change of fiscal policy could not be justified on revenue grounds.

COMMITTEE'S CONCLUSIONS.

On the whole question of fiscal policy the Committee's conclusions are as follows:

The producers of this country are entitled to request from the Government that they should be protected in their home market against "dumping" and against the introduction of "sweated" goods, by which term we understand goods produced by labour which is not paid at trade union rates of wages, where such rates exist in the country of origin of the goods, or the current rates of that country where there are no trade union rates. We recommend that action be taken in regard to "dumping" on the lines (though not necessarily in the precise form) adopted in Canada.

Those industries which we have described as "key" or "pivotal" should be maintained in this country at all hazards and at any expense.

As regards other industries, protection by means of Customs duties or Government assistance in other forms should be afforded only to carefully selected branches of industry, which must be maintained either for reasons of national safety or on the general ground that it is undesirable that any industry of real importance to our economic strength and well-being should be allowed to be weakened by foreign competition, or brought to any serious extent under alien domination or control.

4. Preferential treatment should be accorded to the British Overseas Dominions and Possessions in respect of any Customs duties now or hereafter to be imposed in the United Kingdom, and consideration should be given to other forms of Imperial Preference.

5. As regards our commercial relations with our present Allies and neutrals the denunciation of existing commercial treaties is unnecessary and inexpedient, but the present opportunity should be taken to endeavour to promote our trade with our Allies, and consideration should be given to the possibility of utilising for purposes of negotiation with them and prevent neutralisation duties which may be imposed in accordance with the principles laid down above.

In view of the danger that the admission of the principle of Protection, even to a limited extent, may give rise to a widespread demand for similar assistance from other industries, and consequently to an amount of political pressure which it may be very difficult to resist, the Committee further recommend:

That a strong and competent board, with an independent status, should be established to examine into all applications from industries for State assistance, to advise His Majesty's Government upon such applications, and, where a case is made out, to frame proposals as to the precise nature and extent of the assistance to be given.

Before recommending tariff protection for any particular industry it should be the duty of the board to consider forms of State assistance other than, or concurrent with, protective duties, such as bounties on production, preferential treatment (subject to an adequate standard of quality and security against price rings) in respect of Government and other public authority contracts, State financial assistance, and also whether the position of the industry could not be improved by internal reorganisation.

The board should also have constantly in mind the safeguarding of the interests of consumers and of labour, and should make recommendations as to the conditions which for these purposes should be attached to any form of Government assistance, whether by means of a tariff or otherwise.

THE DECIMAL SYSTEM.

The committee's main conclusions with regard to weights and measures and coinage may be briefly stated.

They consider that an attempt to make the use of the metric system universal and obligatory in this country would cause great loss and confusion at a particularly inopportune moment for the sake of distant and doubtful advantage, and, so far from assisting in the re-establishment of British trade after the war, would seriously hamper it.

Any scheme involving the abandonment of the sovereign as the standard and working unit of international exchange would be fraught with risks which it would be unwise to incur.

To the proposal now supported by the Institute of Bankers, the Associated Chambers of Commerce, and the Decimal Association for the decimalisation of the sovereign, which would consist of 1,000 mils, the mil being worth 4 per cent. less than the existing farthing, it is objected that "the crux of the question is the alteration of the value of the penny, and, having regard to the magnitude of the disturbance which this change would cause in the lives of the great body of wage-earners, retail shopkeepers, and their customers, we are satisfied that the introduction of such a change would be inexpedient at a time when the social, industrial, and financial organisation of the country will be faced with numerous and exceptional difficulties."

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	KANAGAWA MARU 12,500 tons, MON.	24th June 11 A.M.
NAGASAKI, KOBE & YOKOHAMA	AKI MARU 12,500 tons, SAT.	20th July 11 A.M.
	TANGO MARU 13,500 tons, SAT.	17th Aug. 11 A.M.
SHANGHAI, MOJI & KOBE		
LONDON OR LIVERPOOL VIA SINGAPORE, PENANG, COLOMBO, DELAGOA BAY & CAPE TOWN		
MELBOURNE VIA MANILA, ZAMBOANGA, THURS, IS, TOWNSVILLE, BRISBANE & SYDNEY		
NEW YORK VIA SHANGHAI, KOBE, YOKOHAMA, SAN FRANCISCO & PANAMA CANAL		
BOMBAY VIA SINGAPORE, MALACCA & COLOMBO		
CALCUTTA VIA SINGAPORE, PENANG & RANGOON		

§ Omitting Shanghai and/or Moji. † Wireless telegraphy.

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